

**GAS ANNUAL REPORT  
OF**

**PEOPLES NATURAL GAS LLC - EQUITABLE DIVISION**

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**375 NORTH SHORE DRIVE, SUITE 400, PITTSBURGH, PENNSYLVANIA 15212**

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**FOR THE  
YEAR ENDED DECEMBER 31, 2016  
TO THE  
COMMONWEALTH OF PENNSYLVANIA  
PUBLIC UTILITY COMMISSION**

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**Name, title, address and telephone number (including the area code), E-Mail Address,  
and Web Site Address of the person to be contacted concerning this report:**

**Karen Worcester  
Controller  
375 North Shore Drive, Suite 400, Pittsburgh, Pennsylvania 15212  
Karen.R.Worcester@peoples-gas.com  
412-208-6594**

[www.peoples-gas.com](http://www.peoples-gas.com)

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**GENERAL INSTRUCTIONS**

1. The completed original and an electronic (e-mail) copy of this report shall be filed with the Pennsylvania Public Utility Commission, P.O. Box 3265, Harrisburg, Pennsylvania, 17105-3265 on or before the 30th of April following the end of the year to which the report applies.
2. All Natural Gas Distribution Companies subject to the jurisdiction of the Pennsylvania Public Utility Commission, upon which this report is served are required by statute to complete and file this report. The statute further provides that when any such report is defective or believed to be erroneous, the reporting corporation shall be duly notified and given a reasonable time within which to make the necessary amendments or corrections. All data comprising this report shall be submitted in electronic and permanent form.
3. All accounting terms and phrases used in this form are to be interpreted in accordance with the effective applicable Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission Title 18 under "Part 201-Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the Provisions of the Natural Gas Act", (18 CFR Part 201). Whenever the term respondent is used, it shall mean the reporting company.
4. Standard accounting procedures will apply in determining the nature of any entry (e.g., Uncollectibles, a revenue item, is normally a debit entry, and should be entered as a "positive" number unless the reported balance is a credit). Entries of a reverse or contrary character shall be indicated by parenthesis around the number.
5. If the report is made for a period less than the calendar year, the period covered must be clearly stated on the front cover and elsewhere throughout the report where the period covered is shown. When operations cease during the year because of the disposition of property, the balance sheet and supporting schedules should consist of balances and items immediately prior to transfer (for accounting purposes). If the books are not closed as of that date, the data in the report should nevertheless be complete, and the amounts reported should be supported by information set forth in, or as part of, the books of account.
6. All instructions shall be followed and each question shall be answered fully and accurately. Sufficient answers shall appear to show that no question or schedule has been overlooked. The expression "none" or "not applicable" shall be given as the answer to any particular inquiry or schedule where it truly and completely states the fact. Unless otherwise indicated, no information will be accepted which incorporates by reference information from another document or report. Where information called for herein is not given, state fully the reason for its omission.
7. Extra copies of any page will be furnished upon request. If it is necessary or desirable to insert additional statements for the purpose of further explanation of accounts or schedules, they shall be legibly made on paper of durable quality and shall correspond to this form in size of page and width of margin. Additional sheets, ruled either vertically or horizontally, will be furnished on request. Inserts, if any, should be appropriately identified with the schedules to which they relate.
8. If the gas distribution service provider conducts operations both within and outside the Commonwealth of Pennsylvania, data should be reported so that there will be shown the number of subscribers within this state, and (separately by accounts) the operating revenues from sources within this state, and the plant investment as of the end of the year within the state.
9. Whenever schedules call for comparison of figures of a previous year, the figures reported must be based upon those shown by the annual report of the previous year or an appropriate explanation given why different figures were used.
10. Throughout the report, money items shall be shown in units of dollars adjusted to accord with footings. Omitting cents does not apply, however, to items in which cents are of significance, as for instance, in averages and in unit costs.
11. If this report is not completed electronically, the name of the respondent and the year to which the report relates shall be inserted on the top of each page.

**GENERAL INFORMATION**

1. Name and title of officer having custody of the general books of account and address of the office where such books are kept.

**Preston Poljak - Senior Vice President & Chief Financial Officer**  
**375 North Shore Drive, Suite 600**  
**Pittsburgh, PA 15212**

2. Name of State under the laws of which respondent is incorporated and the date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and date organized.

**Peoples Natural Gas Company LLC ("Peoples") is a limited liability company organized under the laws of the Commonwealth of Pennsylvania. Peoples is the survivor of a merger dated February 1, 2010, between Peoples and The Peoples Natural Gas Company, which merger effected the acquisition by PNG Companies LLC ("PNG Companies"), an indirect subsidiary of SteelRiver Infrastructure Fund North America LP. The acquisition was authorized by certificate of public convenience granted pursuant to order issued on November 19, 2009, in Docket No. A-2008-2063737. Effective December 17, 2013, PNG Companies acquired all membership interests of Equitable Gas Company, LLC (EGC) from EQT Corporation (EQT), the parent company of EGC, in exchange for cash and other assets. The EGC assets were split by state 'of operations into separate legal entities for West Virginia and Kentucky, and the Pennsylvania assets were combined into Peoples Natural Gas Company LLC.**

**The information contained in this annual report pertains only to the income statement of the Pennsylvania division of the former EGC entity. This is referred to as the Equitable Division throughout the report. The Comparative Balance Sheet is presented at the legal entity level for Peoples Natural Gas Company LLC. Select other balance sheet schedules are reported at the division level except where noted as "PEOPLES NATURAL GAS COMPANY LLC - TOTAL COMPANY" above the schedule names.**

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, (d) date when possession by receiver or trustee ceased.

**None.**

4. State the classes of utility and other services furnished by respondent during the year in each state in which the respondent operated.

**Natural gas service in the Commonwealth of Pennsylvania.**

**IMPORTANT CHANGES DURING YEAR**

Hereunder give particulars concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry must be answered. However, if the word "None" states the fact, it may be used in answering any inquiry.

1. Changes in, and additions to franchise rights; describing (a) the actual consideration given therefor, and (b) from whom acquired. If acquired without the payment of any consideration, state that fact.
2. Acquisition of other companies, reorganization, merger or consolidation with other companies: give names of companies involved, particulars concerning the transactions, and references to Commission authorization, if any.
3. Purchase or sale of substantial operating units, such as generating stations, transmission lines or distribution lines, specifying items, parties, effective dates and also reference to Commission authorization, if any.
4. Important leaseholds (other than leaseholds for natural gas lands) acquired, given, assigned, or surrendered, giving effective dates, lengths of terms, names of parties, rents, Commission authorization, if any, and other conditions.
5. Important extensions of system, giving location, new territory covered by distribution systems, and dates of beginning operations. Give, also, the number of new customers of each class, and for each class of customers the estimated annual revenues.
6. Estimated increase or decrease in annual revenues due to important rate changes, and the approximate extent to which such increase or decrease is reflected in revenues for the reporting year.
7. Important wage scale changes, showing dates of changes, effect on operating expenses for the year, and estimated annual effect of such wage scale changes on operating expenses.
8. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue, and giving Commission authorization, if any.
9. Changes in articles of incorporation or amendments to charter: explain the nature and purpose of such changes or amendments.
10. Other important changes not elsewhere provided for.

**1. Through 5. None****6. Estimated increase or (decrease) in revenues during 2016 due to rate changes:**

The Company implemented quarterly adjustments to its Base Costs of Gas as permitted by the PUC's purchased gas costs regulations. The overall increase (decrease) in rates per Mcf and in revenue resulting from these rate changes is summarized below:

Effective Date	Increase/ (Decrease) Per Mcf	Increase/ (Decrease) In 2016 Revenue
1/1/2016	\$ (0.40)	\$ (8,964,758)
4/1/2016	\$ (0.25)	\$ (2,850,470)
7/1/2016	\$ 0.47	\$ 4,028,217
10/1/2016	\$ 0.49	\$ 3,540,677

The Company implemented an AVC Capacity rate as permitted by the PUC's purchased gas costs regulations. The overall increase (decrease) in rates per Mcf and in revenue resulting from these rate changes is summarized below:

Effective Date	Increase/ (Decrease) Per Mcf	Increase/ (Decrease) In 2016 Revenue
1/1/2016		
4/1/2016	\$ 0.06	\$ 1,395,072
7/1/2016		
10/1/2016	\$ 0.05	\$ 666,557

**7. Important wage scale changes:**

USW - United Steel Workers Local 12050 joined Utility Workers Union of America Local 666 (now local 612) in April 2016. A three-year contract was ratified through October 31, 2018. A 2.5% wage increase was effective January 1, 2016, and November 1, 2016.

Estimated effect on 2016 operating expenses = \$280,885

Estimated average annual effect on operating expenses = \$485,802

IBEW - International Brotherhood of Electrical Workers Local 1956, entered into a three-year extension of their existing agreement through January 23, 2019. A 2.5% wage increase was effective January 18, 2016.

Estimated effect on 2016 operating expenses = \$30,809

Estimated average annual effect on operating expenses = \$32,041

Non-union employees received an average increase of approximately 3% effective February 28, 2016.

Estimated effect on 2016 operating expenses = \$107,064

Estimated average annual effect on operating expenses = \$128,477

**8. None****9. None****10. None**

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**DEFINITIONS**

**“Accounts”** means the accounts prescribed in the Federal Code Regulations Title 18, Part 201.

**“Amortization”** means the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, which may be over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

**“Book Cost”** means the amount at which property is recorded in the applicable account without deduction of related provisions for accrued depreciation, amortization, or for other purposes.

**“Control”** (including the terms; “controlling,” “controlled by,” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, affiliated companies, contract or any other direct or indirect means.

**“Cost”** means the amount of money actually paid for property or service. When the consideration given is other than cash, the value of such consideration shall be determined on a cash basis.

**“Debt Expense”** means all expenses in connection with the issuance and initial sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds and certificates of indebtedness; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen or marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

**“Depreciation”**, as applied to depreciable utility plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of the utility plant in the course of providing service. This includes causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and requirements of regulatory bodies.

**“Distribution Service Line”**, A distribution line that transports gas from a common source of supply to a customer meter or the connection to a customer’s piping, whichever is further downstream, or the connection to a customer’s piping if there is no customer meter.

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**DEFINITIONS**  
**(Continued)**

**“Investment Advances”** means advances, represented by notes or by book accounts only, with respect to which it is mutually agreed or intended between the creditor and debtor that they shall be settled by the issuance of securities or shall not be subject to current settlement.

**“Minor Items of Property”** means the associated parts or items of which retirement units are composed.

**“Net Salvage Value”** means the salvage value of property retired less the cost of removal.

**“Nominally Issued”**, as applied to securities issued or assumed by the utility means those which have been signed, certified, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the utility, but which have not been sold, or issued directly to trustees of sinking funds in accordance with contractual requirements.

**“Original Cost”**, as applied to utility plant, means the cost of such property to the person first devoting it to public service.

**“Property Retired”**, as applied to utility plant, means property which has been removed, sold, abandoned, destroyed, or which for any cause has been permanently withdrawn from service.

**“Replacing or Replacement”**, when not otherwise indicated in the context, means the construction or installation of utility plant in place of property retired, together with the removal of the property retired.

**“Retained Earnings”** means the accumulated net income of the utility less distributions to members and transfers to other capital accounts, and other adjustments.

**“Salvage Value”** means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale, or, if retained, the amount at which the material recoverable is chargeable to materials and supplies, or other appropriate account.

**“Straight-Line Remaining Life Method”**, as applied to depreciation accounting, means the plan under which the service value of property is charged to operating expenses (and to clearing accounts if used), and credited to the accumulated depreciation account through equal annual changes during its service life. "Remaining Life" implies that estimates of the future life and salvage shall be reexamined periodically and that depreciation rates will be corrected to reflect any changes in these estimates.

**PEOPLES NATURAL GAS COMPANY LLC - TOTAL COMPANY**

**100. VOTING POWERS AND ELECTIONS**

1. Has each share of stock the right to one vote? Yes/No

**Not applicable (N/A). The Company is a limited liability company the ownership of which is represented by membership interest instead of stock.**

2. Are voting rights attached only to stock? Yes/No (If the answer to either query 1 or 2 is "No," give particulars on a separate sheet.)

**N/A – Peoples Natural Gas Company LLC (“Peoples”) is a Pennsylvania limited liability company and wholly-owned regulated gas distribution subsidiary of PNG Companies LLC (“Company”), which exercises all voting rights. The Company has chosen to manage Peoples through an appointed Board of Directors. The Board, in turn, appoints officers to manage the day-to-day operations of the Company.**

3. Give date of the latest closing of the stock book prior to end of year and state the purpose of such closing.

N/A

4. Is cumulative voting permitted? Yes/No

N/A

6. State the date and place of the latest general meeting held prior to the end of the year for the election of directors?

N/A

7. State the total number of votes cast at the latest general meeting and the total number cast by proxy.

N/A

8. State the total number of voting security holders and the total of all voting securities as of such date.

N/A

9. If any security has preferences, special privileges, or restrictions in the election of directors, trustees or managers, or in the determination of any corporate action, give details.

N/A

10. State the number of votes controlled by management, other than officers of the Corporation.

N/A



**PEOPLES NATURAL GAS COMPANY LLC - TOTAL COMPANY**  
**101 SECURITY HOLDER INFORMATION AND VOTING POWERS**

1. Report the requested information for each holder of one percent or more of the voting securities or if there are fewer than ten such holders, the ten who hold the highest voting powers. Data should be the latest available nearest the end of the year. When the holder of record is a trustee, or other intermediate agency (except a corporation), the data should be reported opposite the names of the beneficial owners, designated as such, under a general heading identifying the trustee or other agency. Securities with contingent voting rights may be disregarded.
2. Attach hereto a certified copy of every effective voting trust established and a certified copy of every other agreement (trustee or otherwise) under which voting securities are held for beneficial owners. If any such agreement has been filed with a previous report, reference to the earlier report will be sufficient provided changes or modification since filing are shown.

Line No.	Last Name (a)	First Name (b)	Street Address (c)	City (d)	State (e)	Zip (f)	Total Votes (g)	Common Stock (h)	Preferred Stock (i)	Other (j)	Nonvoting Securities (see instruction 2) Principal, Par Value, or Stated Value (Specify issue-omit cents) (k)
1	Total votes of all voting securities						N/A	N/A	N/A		
2	Total number of security holders						N/A	N/A	N/A		
3	Total votes of security holders listed below						N/A	N/A	N/A		
4	PNG Companies LLC		375 North Shore Drive	Pittsburgh	PA	15212				Membership Interest	
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											

**PEOPLES NATURAL GAS COMPANY LLC - TOTAL COMPANY**  
**102. COMPANIES CONTROLLED BY RESPONDENT**

1. Show below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year.  
 If control ceased prior to end of the year, give particulars in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediates involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Street Address (c)	City (d)	State (e)	Zip (f)	Voting % of Stock (g)	Footnote Ref. (h)
1	None							
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16							0%	

**FOOTNOTES**

1. Direct control is that which is exercised without interposition of an intermediary.
2. Indirect control is that which is exercised without interposition of an intermediary which exercises direct control.  
 Control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.
3. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

**PEOPLES NATURAL GAS COMPANY LLC - TOTAL COMPANY****103. Directors**

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a) abbreviated titles of the directors who are officers of respondent.
2. Designate by an asterisk names of members of Executive Committee, and by double asterisk the Chairman of the Executive Committee.

Line No.	Directors Name and Title (a)	Principal Business Address					Term Began (i)	Term Email (j)	Meetings Attended (k)	Fees Paid (l)
		Street Address (b)	City (c)	Stat (d)	Zip (e)	Telephone (h)				
1	Christopher P. Kinney	500 Fifth Avenue, 55th Fl.	New York	NY	10110	212 696 0110	Feb-10			None
2	James Mahoney	500 Fifth Avenue, 55th Fl.	New York	NY	10110	212 696 0110	Feb-10			\$ 33,000
3	Dennis T. Mahoney	500 Fifth Avenue, 55th Fl.	New York	NY	10110	212 696 0110	Feb-10			None
4	Victor A. Roque	4543 Dogwood Drive	Allison Park	PA	15101	412 392 4400	Feb-10			\$ 33,000
5	Morgan K. O'Brien (President & CEO)	375 North Shore Drive Suite 600	Pittsburgh	PA	15212	412 208 7910	Feb-10			None
6	John McGuire	500 Fifth Avenue, 55th Fl.	New York	NY	10110	212 696 0110	Feb-12			None
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										

**PEOPLES NATURAL GAS COMPANY LLC - TOTAL COMPANY****104. Officers**

Line No.	Official Title & Name (a)	Principal Business Address						Email (j)
		Street Address (b)	City (c)	State (d)	Zip (e)	Telephone (h)	Fax (i)	
1	<b>President &amp; Chief Executive Officer</b>							
2	Morgan K. O'Brien	375 North Shore Drive	Pittsburgh	PA	15212	412 208 7910	1-866-518-	morgan.obrien@peoples-gas.com
3	<b>Senior Vice President &amp; Chief Information Officer</b>							
4	Ruth M. DeLost	375 North Shore Drive	Pittsburgh	PA	15212	412 208-7920	412-208-6869	ruth.a.delost@peoples-gas.com
5	<b>Senior Vice President, Rates &amp; Reliability</b>							
6	Joseph A. Gregorini	375 North Shore Drive	Pittsburgh	PA	15212	412 208 7930	412-208-6869	joseph.a.gregorini@peoples-gas.com
7	<b>Senior Vice President &amp; Chief Financial Officer</b>							
8	Preston Poljak	375 North Shore Drive	Pittsburgh	PA	15212	412-208-6563	412-208-6869	preston.poljak@peoples-gas.com
9	<b>Vice President, General Counsel &amp; Secretary</b>							
10	John J. Luke	375 North Shore Drive	Pittsburgh	PA	15212	412 208 7907	412-208-6869	john.luke@peoples-gas.com
11	<b>Vice Presidents:</b>							
12	Paul Becker - Construction	375 North Shore Drive	Pittsburgh	PA	15212	412 258 4406	412-208-6869	paul.becker@peoples-gas.com
13	Jeffrey S. Nehr - Business Development	375 North Shore Drive	Pittsburgh	PA	15212	412 244 2588	412-208-6869	jeffrey.s.nehr@peoples-gas.com
14	Edward Palombo - Reliability	375 North Shore Drive	Pittsburgh	PA	15212	412-258-4453	412-208-6869	edward.a.palombo@peoples-gas.com
15	Judith M. Stemmler - Human Resources	375 North Shore Drive	Pittsburgh	PA	15212	412-208-7908	412-208-6869	judi.stemmler@peoples-gas.com
16	<b>Senior Vice President &amp; Chief Operations Officer</b>							
17	Kenneth M. Johnston (Through December 31, 2016)	375 North Shore Drive	Pittsburgh	PA	15212			
18	<b>Vice President &amp; Controller</b>							
19	Gregory A. Sciuлло (Through April 30, 2016)	375 North Shore Drive	Pittsburgh	PA	15212			
20								

**PEOPLES NATURAL GAS COMPANY LLC - TOTAL COMPANY****200. COMPARATIVE BALANCE SHEET****ASSETS AND OTHER DEBITS**

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule Page No. (b)	Balance Beginning of Year (c)	Balance End of Year (d)	Increase/Decrease (e)
1	<b>UTILITY PLANT</b>				
2	101.0 Utility Plant in Service	205	\$ 2,278,171,205	\$ 2,367,859,573	\$ 89,688,368
3	101.1 Property Under Capital Leases		19,921,812	16,958,333	(2,963,479)
4	102.0 Gas Plant Purchased or Sold		-	-	-
5	103.0 Experimental Gas Plant Unclassified		-	-	-
6	104.0 Gas Plant Leased to Others		-	-	-
7	105.0 Gas Plant Held for Future Use		4,940	4,940	-
8	105.1 Production Properties Held For Future Use		-	-	-
9	106.0 Completed Construction Not Classified-Gas		-	-	-
10	107.0 Construction Work in Progress-Gas	208	11,468,304	15,900,516	4,432,212
11	108.0 Accumulated Provision for Depreciation of Gas Utility Plant	206	(772,370,203)	(804,796,004)	(32,425,801)
12	111.0 Accumulated Prov. For Amortization & Depletion of Gas Utility Pl.	206	(39,674,217)	(38,948,548)	725,669
13	114.0 Gas Plant Acquisition Adjustments	207	284,894,602	284,894,602	-
14	115.0 Accumulated Prov. For Amortization & Depletion of Gas Plant		-	-	-
15	Acquisition Adjustments	206	-	-	-
16	116.0 Other Gas Plant Adjustments		-	-	-
17	117.1 Gas Stored-Base Gas		-	-	-
18	117.2 System Balancing Gas		-	-	-
19	117.3 Gas Stored in Reservoirs and Pipelines-Noncurrent		-	-	-
20	117.4 Gas Owed to System Gas		-	-	-
21	118.0 Other Utility Plant Adjustments		-	-	-
22	119.0 Accumulated Provision for Depreciation and Amortization of Other		-	-	-
23	Utility Plant	206	-	-	-
24	<b>TOTAL UTILITY PLANT</b>		\$ 1,782,416,443	\$ 1,841,873,412	\$ 59,456,969
25	<b>OTHER PROPERTY AND INVESTMENTS</b>		-	-	-
26	121.0 Non-Utility Property		17,172	17,172	-
27	122.0 Accumulated Depreciation & Amortization of Non-Utility Property		(9,322)	(9,322)	-
28	123.0 Investments in Associated Companies	210	-	-	-
29	123.1 Other Investments	210	-	-	-
30	124.0 Other Investments	210	2,551,246	3,146,634	595,388
31	125.0 Sinking Funds		-	-	-
32	126.0 Depreciation Fund		-	-	-
33	128.0 Other Special Funds		229,200	229,200	-
34	<b>TOTAL OTHER PROPERTY AND INVESTMENTS</b>		\$ 2,788,296	\$ 3,383,684	\$ 595,388

**PEOPLES NATURAL GAS COMPANY LLC - TOTAL COMPANY****200. COMPARATIVE BALANCE SHEET****ASSETS AND OTHER DEBITS**

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule Page No. (b)	Balance Beginning of Year (c)	Balance End of Year (d)	Increase/ Decrease (e)
1	<b>CURRENT AND ACCRUED ASSETS</b>				\$ -
2	131.0 Cash		\$ 2,372,883	\$ 1,011,288	\$ (1,361,595)
3	132.0 Interest Special Deposits		-	-	-
4	133.0 Dividend Special Deposits		-	-	-
5	134.0 Other Special Deposits		892,515	892,515	-
6	135.0 Working Funds		-	-	-
7	136.0 Temporary Cash Investments	210	-	-	-
8	141.0 Notes Receivable	211	-	-	-
9	142.0 Customer Accounts Receivable		79,843,753	82,646,155	2,802,402
10	143.0 Other Accounts Receivable	211	5,297,861	6,018,924	721,063
11	144.0 Accumulated Provision for Uncollectible Accounts-Cr.		(15,613,876)	(12,085,260)	3,528,616
12	145.0 Notes Receivable from Associated Companies	212	-	-	-
13	146.0 Accounts Receivable for Associated Companies	213	1,438,711	3,029,440	1,590,729
14	151.0 Fuel Stock		-	-	-
15	152.0 Fuel Stock Expenses Undistributed		-	-	-
16	153.0 Residuals and Extracted Products		-	-	-
17	154.0 Plant Materials and Operating Supplies	215	3,007,655	3,092,138	84,483
18	155.0 Merchandise		-	-	-
19	156.0 Other Materials and Supplies		-	-	-
20	163.0 Stores Expense-Undistributed		-	-	-
21	164.1 Gas Stored-Current		18,091,712	17,840,346	(251,366)
22	164.2 Liquefied Natural Gas Stored		-	-	-
23	164.3 Liquefied Natural Gas Held for Processing		-	-	-
24	165.0 Prepayments		9,626,124	7,997,127	(1,628,997)
25	166.0 Advances for Gas Exploration, Development and Production		-	-	-
26	167.0 Other Advances for Gas		-	-	-
27	171.0 Interest and Dividends Receivable		-	-	-
28	172.0 Rents Receivable		-	-	-
29	173.0 Accrued Utility Revenues		30,498,541	41,346,105	10,847,564
30	174.0 Miscellaneous Current and Accrued Assets		1,742,643	1,754,235	11,592
31	<b>TOTAL CURRENT &amp; ACCRUED ASSETS</b>		\$ 137,198,522	\$ 153,543,013	\$ 16,344,491
32	<b>DEFERRED DEBITS</b>				
33	181.0 Unamortized Debt Expense	216	6,282,001	4,246,862	(2,035,139)
34	182.1 Extraordinary Property Losses	217	-	-	-
35	182.2 Unrecovered Plant and Regulatory Study Costs	217	-	-	-
36	182.3 Other Regulatory Assets		140,688,376	144,317,431	3,629,055
37	183.1 Preliminary Natural Gas Survey and Investigation Charges		-	-	-
38	183.2 Other Preliminary Survey and Investigation Charges		-	-	-
39	184.0 Clearing Accounts		-	-	-
40	185.0 Temporary Facilities		-	-	-
41	186.0 Miscellaneous Deferred Debits		62,578	1,620,213	1,557,635
42	187.0 Deferred Losses from Disposition of Utility Plant		-	-	-
43	188.0 Research, Development and Demonstration Expenditures		-	-	-
44	189.0 Unamortized Loss on Reacquired Debt		-	-	-
45	190.0 Accumulated Deferred Income Taxes		71,769,757	56,415,425	(15,354,332)
46	191.0 Unrecovered Purchased Gas Costs		(23,213,286)	7,962,673	31,175,959
47	<b>TOTAL DEFERRED DEBITS</b>		\$ 195,589,426	\$ 214,562,604	\$ 18,973,178
48	<b>TOTAL ASSETS &amp; TOTAL DEBITS</b>		\$ 2,117,992,687	\$ 2,213,362,713	\$ 95,370,026

**PEOPLES NATURAL GAS COMPANY LLC - TOTAL COMPANY****200. COMPARATIVE BALANCE SHEET****LIABILITIES AND OTHER CREDITS**

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule Page No. (b)	Balance Beginning of Year (c)	Balance End of Year (d)	Increase/Decrease (e)
1	<b>LIABILITIES AND OTHER CREDITS</b>				
2	<b>PROPRIETARY CAPITAL</b>				
3	201.0 Common Stock Issued		-	-	-
4	202.0 Common Stock Subscribed				
5	203.0 Common Stock Liability for Conversion				
6	204.0 Preferred Stock Issued				
7	205.0 Preferred Stock Subscribed				
8	206.0 Preferred Stock Liability for Conversion				
9	207.0 Premium on Capital Stock				
10	208.0 Donations Received from Stockholders				
11	209.0 Reduction in Par or Stated Value of Capital Stock				
12	210.0 Gain on Resale or Cancellation of Reacquired Capital Stock				
13	211.0 Miscellaneous Paid-In Capital		\$ 794,774,910	\$ 794,774,910	\$ -
14	212.0 Installments Received on Capital Stock				-
15	213.0 Discount on Capital Stock				-
16	214.0 Capital Stock Expense				-
17	215.0 Appropriated Retained Earnings				-
18	216.0 Unappropriated Retained Earnings		30,138,546	62,339,536	32,200,990
19	216.1 Unappropriated Undistributed Subsidiary Earnings				-
20	217.0 Reacquired Capital Stock				-
21	<b>TOTAL PROPRIETARY CAPITAL</b>		\$ 824,913,456	\$ 857,114,446	\$ 32,200,990
22					-
23	<b>LONG-TERM DEBT</b>				-
24	221.0 Bonds	231	-	-	-
25	222.0 Reacquired Bonds	231	-	-	-
26	223.0 Advances from Associated Companies		787,895,000	643,148,600	(144,746,400)
27	224.0 Other Long-term Debt	231			-
28	225.0 Unamortized Premium on Long-Term Debt				-
29	226.0 Unamortized Discount on Long-Term Debt-Debit				-
30	<b>TOTAL LONG TERM DEBT</b>		\$ 787,895,000	\$ 643,148,600	\$ (144,746,400)
31					-
32	<b>OTHER NONCURRENT LIABILITIES</b>				-
33	227 Obligation Under Capital Leases-NonCurrent		\$ 18,522,664	\$ -	\$ (18,522,664)
34	228.1 Accumulated Provision for Property Insurance		-	-	-
35	228.2 Accumulated Provision for Injuries and Damages		814,547	814,547	-
36	228.3 Accumulated Provision for Pensions and Benefits		22,355,459	24,410,105	2,054,646
37	228.4 Accumulated Miscellaneous Operating Provisions		171,622	113,214	(58,408)
38	229 Accumulated Provision for Rate Refunds		-	-	-
39	230 Asset Retirement Obligations		38,312,390	37,946,060	(366,330)
40	<b>TOTAL OTHER NONCURRENT LIABILITIES</b>		\$ 80,176,682	\$ 63,283,926	\$ (16,892,756)
41					

**PEOPLES NATURAL GAS COMPANY LLC - TOTAL COMPANY****200. COMPARATIVE BALANCE SHEET****LIABILITIES AND OTHER CREDITS**

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule Page No. (b)	Balance Beginning of Year (c)	Balance End of Year (d)	Increase/Decrease (e)
1	<b>CURRENT AND ACCRUED LIABILITIES</b>				
2	231.00 Notes Payable		\$ -	\$ -	\$ -
3	232.00 Accounts Payable		103,967,542	125,839,448	21,871,906
4	233.00 Notes Payable to Associated Companies		50,257,830	210,822,323	160,564,493
5	234.00 Accounts Payable to Affiliated Companies		6,591,349	6,177,866	(413,483)
6	235.00 Customers' Deposits-Billing		3,832,239	3,916,356	84,117
7	236.10 Accrued Taxes, Taxes Other Than Income		5,648,498	3,940,317	(1,708,181)
8	236.20 Accrued Taxes, Income Taxes		-	-	-
9	237.10 Accrued Interest on Long-term Debt		-	-	-
10	237.20 Accrued Interest on Other Liabilities		114,358	41,178	(73,180)
11	238.00 Dividends Declared		-	-	-
12	239.00 Matured Long-term Debt		-	-	-
13	240.00 Matured Interest		-	-	-
14	241.00 Tax Collections Payable		75,909	572,120	496,211
15	242.00 Miscellaneous Current and Accrued Liabilities		7,986,325	8,186,810	200,485
16	243.00 Obligations Under Capital Leases-Current		428,624	18,951,288	18,522,664
17	<b>TOTAL CURRENT AND ACCRUED LIABILITIES</b>		\$ 178,902,674	\$ 378,447,706	\$ 199,545,032
18					
19	<b>DEFERRED CREDITS</b>				
20	252.00 Customer Advances for Construction		\$ 63,333	\$ -	\$ (63,333)
21	253.00 Other Deferred Credits		24,269,340	18,997,700	(5,271,640)
22	254.00 Other Regulatory Liabilities		2,404,428	1,442,041	(962,387)
23	255.00 Accumulated Deferred Investment Tax Credits		-	-	-
24	256.00 Deferred Gains from Disposition of Utility Plant		-	-	-
25	257.00 Unamortized Gain on Reacquired Debt		-	-	-
26	281.00 Accum. Deferred Income Taxes-Assume. Amortization Property		-	-	-
27	282.00 Accum. Deferred Income Taxes-Other Property		215,654,851	240,968,752	25,313,901
28	283.00 Accum. Deferred Income Taxes-Other		3,712,923	9,959,542	6,246,619
29	<b>TOTAL DEFERRED CREDITS</b>		\$ 246,104,875	\$ 271,368,035	\$ 25,263,160
30					
31	<b>TOTAL LIABILITIES &amp; OTHER CREDITS</b>		\$ 2,117,992,687	\$ 2,213,362,713	\$ 95,370,026

**PEOPLES NATURAL GAS COMPANY LLC - TOTAL COMPANY****201. NOTES TO BALANCE SHEET**

- The space below is provided for important notes regarding the balance sheet or any account thereof.
- Furnish particulars as to any contingent assets or liabilities existing at end of year. Minor items may be grouped by classes. For any dividends in arrears at the end of the year on cumulative preferred stock, state the date of the last dividend, the arrearage per share, and the total amount of the arrearage.
- For Other Plant Adjustments, Account 116, explain the origin of such amount, debits and credits during the year and plan of disposition contemplated, giving references to Commission orders or to other authorizations repeating classification of amounts as plant adjustments and requirements as to disposition thereof.
- If the notes to balance sheet, appearing in the annual report to the stockholders are applicable in every respect and furnish the data required by instructions 2 and 3 above, such notes may be attached hereto.

Peoples Natural Gas Company LLC - Total Company includes balances of Peoples Natural Gas Company LLC - Peoples Division and Peoples Natural Gas Company LLC - Equitable Division.

**Account 216.0 - Unappropriated Retained Earnings**

During 2016, Peoples Natural Gas Company LLC declared and paid dividends of \$40,000,000 to its parent, PNG Companies LLC.



**205. UTILITY PLANT IN SERVICE - Account No. 101.0**

1. Report by prescribed accounts the original cost of utility plant in service and the additions and retirements of such plant during the year.
2. Do not include as adjustments, corrections to additions and retirements for the current or preceding year. Such items should be included in appropriate Column (c) or (d).
3. Credit adjustments in Column (e) should be shown in red, or in black enclosed in parenthesis. State in a footnote the general character of any adjustments in Column (e).
4. Submit, in a footnote, an explanation of amounts included in Columns (e) and/or (f), Line 34, for lowering or changing the location of mains.

Line No.	Account Number and Title (a)		Balance Previous Year (b)	Additions (c)	Retirements (d)	Adjustments +/- (e)	Balance End of Year (f)
1	<b>INTANGIBLE PLANT</b>		XXX	XXX	XXX	XXX	XXX
2	301	Organization	\$ 49,770				\$ 49,770
3	302	Franchises & Consents	-				-
4	303	Other Plant and Miscellaneous Equipment	24,638,136	1,296,288	893,240		25,041,184
5	Total Intangible Plant		\$ 24,687,906	\$ 1,296,288	\$ 893,240	\$ -	\$ 25,090,954
6	<b>MANUFACTURED GAS PRODUCTION PLANT</b>		XXX	XXX	XXX	XXX	XXX
7	304	Land and Land Rights					
8	305	Structures and Improvements					
9	306	Boiler Plant Equipment					
10	307	Other Power Equipment					
11	308	Coke Ovens					
12	309	Infiltration Galleries and Tunnels					
13	310	Producer Gas Equipment					
14	311	Liquefied Petroleum Gas Equipment					
15	312	Oil Gas Generating Equipment					
16	313	Generating Equipment-Other Processes					
17	314	Coal, Coke and Ash Handling Equipment					
18	315	Catalytic Cracking Equipment					
19	316	Other Reforming Equipment					
20	317	Purification Equipment					
21	318	Residential Refining Equipment					
22	319	Gas Mixing Equipment					
23	320	Other Equipment					
23	Total Gas Manufacturing Plant						
24	<b>NATURAL GAS PRODUCTION &amp; GATHERING PLANT</b>		XXX	XXX	XXX	XXX	XXX
25	325.1	Producing Lands	\$ 63,365				\$ 63,365
26	325.2	Producing Leaseholds	16,356				16,356
27	325.3	Gas Rights	11,865				11,865
28	325.4	Rights of Way	283,475				283,475
29	325.5	Other Land and Land Rights	9,803				9,803
30	326	Other Plant and Miscellaneous Equipment	-				-
31	327	Field Compressor Station Structures	9,095,020				9,095,020
32	328	Field Measuring & Regulating Station Structures	16,862				16,862
33	329	Other Structures	-				-
34	330	Producing Gas Wells-Well Construction	598,329				598,329
35	331	Producing Gas Wells-Well Equipment	228,454				228,454
36	332	Field Lines	23,121,833	47,514	5,426		23,163,921
37	333	Field Compressor Station Equipment	7,811,214	45,559	18,574		7,838,199
38	334	Field Measuring & Regulating Station Equipment	1,475,572				1,475,572
39	335	Drilling & Cleaning Equipment	-				-
40	336	Purification Equipment	-				-
41	337	Other Equipment	3,066				3,066
42	338	Unsuccessful Exploration & Development Costs	-				-
43	Total Natural Gas Production & Gathering Plant		\$ 42,735,214	\$ 93,073	\$ 24,000	\$ -	\$ 42,804,287
44	<b>PRODUCTS EXTRACTION PLANT</b>		XXX	XXX	XXX	XXX	XXX
45	340	Land and Land Rights					
46	341	Other Plant and Miscellaneous Equipment					
47	342	Extraction & Refining Equipment					
48	343	Pipe Lines					
49	344	Extracted Product Storage Equipment					
50	345	Compressor Equipment					
51	346	Gas Measuring and Regulating Equipment					
52	347	Other Equipment					
	Total Products Extraction Plant						
53	<b>NATURAL GAS PRODUCTION &amp; PROCESSING PLANT</b>		XXX	XXX	XXX	XXX	XXX
54	350.1	Land					
55	350.2	Rights of Way					
56	351	Structures and Improvements					
57	352	Wells					
58	352.1	Storage Leaseholds and Rights					
59	352.2	Reservoirs					
60	352.3	Nonrecoverable Natural Gas					
61	353	Lines					

## 205. UTILITY PLANT IN SERVICE - Account No. 101.0

Line No.	Account Number and Title (a)	Balance Previous Year (b)	Additions (c)	Retirements (d)	Adjustments +/- (e)	Balance End of Year (f)
62	354 Compressor Station Equipment	\$ -	\$ -		\$ -	\$ -
63	355 Measuring and Regulating Equipment					
64	356 Purification Equipment					
65	357 Other Equipment					
66	Total Natural Gas Production and Processing Plant	\$ -	\$ -	\$ -	\$ -	\$ -
67	<b>OTHER STORAGE PLANT</b>	XXX	XXX	XXX	XXX	XXX
68	360 Land & Land Rights					
69	361 Structures and Improvements					
70	362 Gas Holders					
71	363 Purification Equipment					
72	363.1 Liquefaction Equipment					
73	363.2 Vaporizing Equipment					
74	363.3 Compressor Equipment					
75	363.4 Measuring and Regulating Equipment					
76	363.5 Other Equipment					
77	Total Other Storage Plant					
78	<b>BASE LOAD LIQUEFIED NATURAL GAS</b>					
79	<b>TERMINATING AND PROCESSING PLANT</b>	XXX	XXX	XXX	XXX	XXX
80	364.1 Land and Land Rights					
81	364.2 Structures and Improvements					
82	364.3 LNG Processing Terminal Equipment					
83	364.4 LNG Transportation Equipment					
84	364.5 Measuring and Regulating Equipment					
85	364.6 Compressor Station Equipment					
86	364.7 Communication Equipment					
87	364.8 Other Equipment					
88	Total Base Load Liquefied Natural Gas Term. & Proc. Plant					
89	<b>TRANSMISSION PLANT</b>	XXX	XXX	XXX	XXX	XXX
90	365.1 Land and Land Rights	\$ 68,423				\$ 68,423
91	365.2 Rights of Way	487,582				487,582
92	366 Structures and Improvements	1,385,120				1,385,120
93	367 Mains	19,691,925	235,296	2,387		19,924,834
94	368 Compressor Station Equipment	11,383,163				11,383,163
95	369 Measuring and Regulating Station Equipment	2,456,728				2,456,728
96	370 Communication Equipment	-				-
97	371 Other Equipment	-				-
98	Total Transmission Plant	\$ 35,472,941	\$ 235,296	\$ 2,387	\$ -	\$ 35,705,850
99	<b>DISTRIBUTION PLANT</b>	XXX	XXX	XXX	XXX	XXX
100	374 Land & Land Rights	2,237,839				2,237,839
101	375 Structures and Improvements	2,209,115		407,919		1,801,196
102	376 Mains	569,255,388	28,007,165	1,098,510		596,164,043
103	377 Compressor Station Equipment	-				-
104	378 Measuring & Regulating Station Equipment-General	24,886,286	50,318	11,237		24,925,367
105	379 Measuring & Regulating Station Equipment-City Gate C. St.	-				-
106	380 Services	262,003,468	10,063,374	2,719		272,064,123
107	381 Meters	23,784,173	698,431	1,071,041		23,411,563
108	382 Meter Installations	19,602,315	934,735	17,552		20,519,498
109	383 House Regulators	-				-
110	384 House Regulatory Installations	-				-
111	385 Industrial Measuring and Regulating Station Equipment	371,498	8,626			380,124
112	386 Other Property on Customers' Premises	14,566,813				14,566,813
113	387 Other Equipment	351,808	14,240			366,048
114	388 Asset Retirement Costs for Distribution Plant	250,293			25,035	275,328
115	Total Distribution Plant	919,518,996	39,776,889	2,608,978	25,035	956,711,942
116	<b>GENERAL PLANT</b>	XXX	XXX	XXX	XXX	XXX
117	389 Land & Land Rights	74,604				74,604
118	390 Structures and Improvements	9,093,139	377,557	11,110		9,459,586
119	391 Office Furniture & Equipment	5,605,435	8,897	561,426		5,052,906
120	392 Transportation Equipment	12,291,299	185,734	364,515		12,112,518
121	393 Stores Equipment	-				-
122	394 Tools & Garage Equipment	4,958,907				4,958,907
123	395 Laboratory Equipment	-				-
124	396 Power Operated Equipment	1,879,938		126,284		1,753,654
125	397 Communication Equipment	897,987	159,063	14,117		1,042,933
126	398 Miscellaneous Equipment	-				-
127	399 Other Tangible Property	(25,913,153)				(25,913,153)
128	Total General Plant	\$ 8,888,156	731,251	1,077,452	-	8,541,955
129	Total Plant	\$ 1,031,303,213	42,132,797	4,606,057	25,035	1,068,854,988

**206. ACCUMULATED DEPRECIATION OF UTILITY PLANT -  
Account Nos. 108, 111, 115 and 119**

1. Report below an analysis of the changes in accumulated depreciation during the year and the amounts applicable to prescribed functional classifications.  
2. Explain and give particulars of important adjustments during the year.

Line No.	Item (a)	Total (b)	101 Utility Plant In Service (c)	104 Utility Plant Leased to Others (d)	105 Property Held for Future Use (e)	107.0 Construction Work In Progress (f)
1	<b>Balance Beginning of Year</b>	\$ 349,108,594	\$ 349,108,594			
2	Credits During Year	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
3	Depreciation Provisions charged to:	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
4	403. Depreciation	\$ 21,370,142	\$ 21,370,142			
5	404. Amortization & Depletion	\$ 2,863,791	\$ 2,863,791			
6		\$ -				
7		\$ -				
8		\$ -				
9		\$ -				
10	<b>Total Depreciation Provisions</b>	\$ 24,233,933	\$ 24,233,933			
11	Recoveries from Insurance	-				
12	Salvage Realized from Retirements	\$ 90,898	\$ 90,898			
13	Other Credits (Describe)	\$ -	\$ -			
14	ARO Adjustment	\$ 576,518	\$ 576,518			
15		-				
16		-				
17		-				
18	<b>Total Credits During Year</b>	\$ 667,416	\$ 667,416			
19	<b>Total Credits</b>	\$ 24,901,349	\$ 24,901,349			
20	Debits During Year	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
21	Retirement of Utility Plant	\$ 4,606,057	\$ 4,606,057			
22	Cost of Removal	\$ 2,918,530	\$ 2,918,530			
23	Other Debits (Describe)	\$ -	\$ -			
24	Capital Lease Amortization	\$ 777,479	\$ 777,479			
25		-				
26		-				
27		-				
28	<b>Total Debits During Year</b>	\$ 8,302,066	\$ 8,302,066			
29	<b>Balance at End of Year</b>	\$ 365,707,877	\$ 365,707,877			

Describe the basis upon which depreciation provisions for the year were determined and attach worksheets showing the computations made in arriving at the annual provisions.

**207. GAS PLANT ACQUISITIONS ADJUSTMENTS - Account No. 114.0**

Line No.	Item (a)	Project No. 1 Amount (b)	Project No. 2 Amount (c)	Project No. 3 Amount (d)	Project No. 4 Amount (e)	Totals (f)
1	Book Plant - Net					
2	PUC Difference (Ratemaking)					
3	Less Contributions (Net)					
4	Net Utility Plant Acquired					
5	Purchase Price					
6	Acquisition Adjustment	\$ 177,361,265				\$ 177,361,265
7						
8						

**206. ACCUMULATED DEPRECIATION OF UTILITY PLANT - (Continued)**

Describe the basis upon which depreciation provisions for the year were determined and attach worksheets showing the computations made in arriving at the annual provisions.

**DEPRECIATION EXPENSE - ACCOUNT 403**

The Respondent uses a straight-line method of depreciation by individual plant account. Depreciation is calculated monthly by applying the appropriate rate to the current month end balance in each account. The rates applied were as follows:

<u>Intangible Plant</u>	<u>PA Rate</u>	<u>General Plant</u>	<u>PA Rate</u>
301.0	0.00%	389.1	0.00%
303.0	8.11%	389.2	0.38%
303.1	10.00%	390.0	4.71%
303.2	20.00%	390.03	2.78%
		391.0	*
		391.1	*
		391.2	*
		392.1	0.00%
		392.2	8.37%
		392.3	6.48%
		394.0	*
		396.0	2.50%
		397.1	*
		397.5	*
		398.0	*
<u>Production Plant</u>			
325.1	0.00%		
325.2	0.20%		
325.3	0.00%		
325.4	0.61%		
325.5	0.00%		
327.0	3.03%		
328.0	0.66%		
330.0	0.31%		
331.0	0.41%		
332.0	1.34%		
333.0	3.31%		
334.0	2.88%		
337.0	0.59%		
<u>Transmission Plant</u>			
365.1	0.00%		
365.2	0.63%		
366.1	1.54%		
366.2	1.49%		
367.0	1.05%		
368.0	3.03%		
369.0	1.77%		
370.0	0.00%		
<u>Distribution Plant</u>			
374.1	0.00%		
374.2	1.17%		
375.0	1.85%		
376.0	1.41%		
378.0	2.43%		
380.0	1.97%		
381.0	2.67%		
382.0	1.54%		
383.0	0.00%		
384.0	0.00%		
385.0	0.80%		
386.0	7.10%		
387.0	*		

\* Accounts amortized using vintage year group method. This recognizes retirement of all assets included in a vintage year once the useful life ends.

**206. ACCUMULATED DEPRECIATION OF UTILITY PLANT - (Continued)****Remarks**

Annual depreciation and amortization charges are computed for each plant account by applying one twelfth of the annual rate to the monthly depreciable plant balance each month during the year.

Annual accrual rates were developed in a depreciation study made by Gannett Fleming Valuation and Rates Consultants, Inc., based on the plant-in-service balance at December 31, 2014. The annual depreciation is based on the remaining-life method using (1) remaining lives consistent with the average service-life procedure for plant installed prior to 1983 and (2) remaining lives consistent with the equal-life group procedure for plant installed in 1983 and subsequent years.

Certain general plant accounts use a vintage year group method of recording the loss of service life. This method recognizes retirement of all assets included in a vintage year once the useful life ends and the entire vintage has been fully depreciated.

**208. CONSTRUCTION WORK IN PROGRESS - Account No. 107**

1. Describe the particulars concerning utility plant in process of construction but not ready for service at end of the Calendar Year.
2. Describe separately each work order that exceeds the lesser of an estimated expenditure of \$300,000 or 10% of the book cost of utility plant at the beginning of the year. All other work orders may be grouped by nature of project.

Line No.	Description of Work (a)	Balance End of Year (b)	Estimate Total Cost of Construction (c)	Projected In-Service Date (d)
1	<b>Projects greater than \$300,000.00:</b>			
2	Project Number                      Project Description			
3				
4				
5				
6				
7	Remaining Projects:			
8	Distribution Plant	\$ 984,172	\$ 1,476,258	Jun-17
9	General Plant	(225,091)	(225,091)	Jun-17
10	Intangible Plant	611,081	916,622	Jun-17
11	Production Plant	172,611	258,917	Jun-17
12	Transmission Plant	284,995	427,493	Jun-17
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25	TOTALS	\$ 1,827,768	\$ 2,854,199	

**PEOPLES NATURAL GAS COMPANY, LLC - TOTAL COMPANY****210. INVESTMENTS (Accounts 123 - 123.1 - 124 - 136)**

1. Report below investments in Accounts 123, Investments in Associated Companies 123.1, Investments in Subsidiary Companies, 124, Other Investments and 136, Temporary Cash Investments.
2. Provide a subheading for each account and list thereunder the information called for, observing the instructions below.
3. Investments in Securities - List and describe each security owned giving name of issuer. For bonds give also principal amount, date of issue, maturity, and interest rate. For capital stock state number of shares, class and series of stock. Minor investments may be grouped by classes.
4. Investment Advances - Report separately for each person or company the amounts of loans or investment advances which are subject to repayment but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. Each note should be listed giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees.
5. For any securities, notes, or accounts that were pledged, designate such securities acquired, designate such fact and in a footnote state the name of pledges and purpose of the pledge.
6. If Commission approval was required for any advance made or security acquired, designate such fact and in a footnote give date of authorization and case or docket number.
7. Interest and dividend revenues from investments should be reported in column (g), including such revenues from securities disposed of during the year.
8. In column (h) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price therefor, not including any dividend or interest adjustment includible in column (g).

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Book Costs* Beginning of Year (d)	Principal Amount or No. of Shares (e)	Book Cost End of Year (f)	Revenues For Year (g)	Gain or Loss From Invest Disposed of (h)
1	Account 124 Other Investments							
2								
3	Western PA Development Credit Corp	6/1/1987		\$ 1	5,000 shares	\$ 1		
4								
5	PA Development Credit Corp	3/27/1964		\$ 1	1,500 shares	\$ 1		
6								
7	Strategic Investment Fund Partners							
8	Limited Partnership - Class C Partner	5/1/2002		\$ 300,000	300 units	\$ 300,000		
9	Limited Partnership - Class C Partner	5/1/2003		\$ 300,000	300 units	\$ 300,000		
10	Limited Partnership - Class C Partner	5/1/2004		\$ 300,000	300 units	\$ 300,000		
11	Limited Partnership - Class C Partner	5/1/2005		\$ 300,000	300 units	\$ 300,000		
12	Limited Partnership - Class C Partner	5/1/2006		\$ 300,000	300 units	\$ 300,000	\$ 25,913	
13								
14	Power of 32 Site Development Fund Partners, LP							
15	Limited Partnership - Class A Partner	6/14/2014		\$ 300,000	300 units	\$ 300,000		
16	Limited Partnership - Class A Partner	5/11/2015		\$ 263,353	263 units	\$ 263,353		
17	Limited Partnership - Class A Partner	11/17/2015		\$ 487,891	487 units	\$ 487,891		
18	Limited Partnership - Class A Partner	3/15/2016		\$ -	595 units	\$ 595,388		
19								
20								
21								
22								
23								
24								
25								
26				\$ 2,551,246		\$ 3,146,634	\$ 25,913	0

\* If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.

**211. NOTES AND OTHER ACCOUNTS RECEIVABLE (Accounts 141, and 143)**

If interest was derived during year from notes liquidated before the end of the year, include such interest revenue in column (d).

Line No.	Item (a)	Notes Receivable			Other Accounts Receivable	
		1/1/2016 (b)	12/31/2016 (c)	Interest Revenue (d)	1/1/2016 (e)	12/31/2016 (f)
1	Accounts Receivable - Estimates				\$ 1,136,566	\$ 1,040,833
2	A/R - Other-Accident/Property Claims				310,125	295,922
3	Accounts Receivable - Other				235	(16,059)
4						
5						
6						
7	Total				\$ 1,446,926	\$ 1,320,696

**PEOPLES NATURAL GAS COMPANY LLC - TOTAL COMPANY****212. NOTES RECEIVABLE FROM ASSOCIATED COMPANIES (Account 145)**

- Furnish below the particulars indicated concerning notes receivable from associated companies at end of year.
- If any note was received in satisfaction of an open account indebtedness, state the period covered by such open account.
- Include in column (f) the amount of any interest revenue during the year on notes that were paid off before the end of year.
- Give particulars of any notes pledged or discounted. This schedule shall include all transactions during the year with each affiliated interest affecting account 145 and account 233.

Line No.	Name of Associated Company (a)	Date of Issue (b)	Date of Maturity (c)	Amount End of Year (d)	Interest Rate (e)	Amount (f)
1	PNG Companies LLC - Demand Note	12/16/2013	8/22/2018	\$ 66,075,923	Variable	\$ 436,923
2	PNG Companies LLC - Promissory Note	12/31/2013	12/19/2017	\$ 144,746,400	2.43%	\$ 3,517,338
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						

Values represent balance of account # 233.



**PEOPLES NATURAL GAS COMPANY LLC - TOTAL COMPANY**  
**213. ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES (ACCOUNT 146)**  
**AND ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES (ACCOUNT 234)**

1. Furnish below the particulars called for concerning Account Receivables and Payables from Associated Companies.
2. The term "Services Received" set forth on line 21 of this schedule means the Management, Construction, Engineering, Purchasing Legal, Accounting or other similar service which has been rendered to respondent under written, oral or implied contracts.
3. The term "Joint Expenses Transferred" set forth on lines 6 and 22 means Central office and/or other expenses continuously assessed against respondent covering all locations of common operating costs.
4. This schedule shall include all transactions during the year with each affiliated interest affecting Account 146.

Line No.	Item (a)	Entries During Year	
			(b)
1	Debits During Year		
2	Cash Dispensed	\$	98,022,985
3	Materials and Supplies Sold	\$	20,413
4	Services Rendered	\$	15,564,206
5	Joint Expense Transferred		
6	Interest and Dividends Receivable		
7	Rents Receivable		
8	Securities Sold		
9	Other Debits (Specify)		
10	Gas Sold/Transported	\$	-
11	Convenience payments	\$	12,465,903
12			
13	<b>Total Debits During Year</b>	\$	126,073,508
14			
15	<b>Credits During Year</b>		
16	Cash Received	\$	(17,810,069)
17	Gas Purchased/Transported	\$	(1,052,060)
18	Fuel Purchased		
19	Materials and Supplies Purchased	\$	(57,092)
20	Services Received	\$	(24,610,335)
21	Joint Expense Transferred		
22	Interest and Dividends Payable	\$	(78,217,402)
23	Rents Payable		
24	Securities Purchased		
25	Transferred to Account "145"		
26	Other Credits (Specify)		
27	Convenience payments	\$	(2,322,338)
28			
29			
30	<b>Total Credits During Year</b>	\$	(124,069,296)
31	<b>Balance at End of Year</b>	\$	(3,148,426)

**215. PLANT MATERIALS AND OPERATING SUPPLIES (Account 154)**

1. Summarize below by character of materials and supplies, the balances in account 154 at the beginning and end of the year.  
 2. Account entries totaling \$300,000 or 1% of gross revenues, (whichever is less), during the year shall be explained, showing the class of materials affected and the various classes of accounts (operating expenses, clearing accounts, plant accounts, etc.) debited or credited.

Line No.	Classification of Materials And Supplies (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Increase /Decrease (d)
1	General Supplies	\$ 2,273	\$ 2,120	\$ (154)
2	Box Curb/Valve/Parts	13,144	12,180	(963)
3	Corrosion Protection	206	239	33
4	Gas Measuring Equipment	46,216	145,474	99,259
5	Pipe	32,984	21,114	(11,870)
6	Pipe Fittings	246,905	209,552	(37,353)
7	Tubing	65,206	43,862	(21,344)
8	Valves	101,138	94,243	(6,895)
9	Regulators	98,716	487	(98,229)
10				
11				
12				
13				
14				
15				
16				
17	<b>Total</b>	\$ 606,788	\$ 529,271	\$ (77,517)

**PEOPLES NATURAL GAS COMPANY LLC - TOTAL COMPANY**

**216. UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND UNAMORTIZED PREMIUM ON DEBT (Accounts 181, 225)**

1. Report under separate subheadings for Unamortized Debt Discount and Unamortized Premium on Debt, particulars of discount and expense or premium applicable to each class and series of long-term debt.
2. Show premium amounts in red or by enclosure in parenthesis
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.
4. In column (c) show the discount and expense or premium with respect to the amount of bonds or other long-term debt originally issued.
5. Furnish particulars regarding the treatment of unamortized debt discount and expense or premium, redemption premium, and redemption expenses associated with issues redeemed during the year, also, date of the Commission's authorization of treatment other than by debit or credit to Surplus.
6. Set out separately and identify amounts applicable to issues which have been redeemed, although those amounts, prior to the effective date of the Uniform System of Accounts may have prior to the effective date of the Uniform System of Accounts may have been combined with the discount and expense on the refunding issue.
7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt.

Line No.	Designation of Long-Term Debt (a)	PRINCIPAL AMOUNT OF SECURITIES TO WHICH OR PREMIUM RELATES (b)	TOTAL DISCOUNT AND EXPENSE OR NET PREMIUM (c)	Amortization Period		Balance Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance End of Year (i)
				From (d)	To (e)				
1									
2	Intercompany promissory note payable to PNG Companies LLC	\$ 388,395,000	\$ 10,027,226	2/26/2010	2/26/2020	\$ 2,571,970	\$ -	\$ 953,672	\$ 1,618,298
3									
4	Intercompany revolving credit note payable to PNG Companies LLC	\$ 300,000,000	\$ 3,240,273	8/10/2011	8/22/2018	\$ 1,721,502	\$ -	\$ 652,511	\$ 1,068,990
5									
6	Intercompany promissory note payable to PNG Companies LLC - EGC Division	\$ 399,500,000	\$ 2,968,274	12/19/2013	12/18/2025	\$ 1,988,529	\$ -	\$ 428,955	\$ 1,559,574
7									
8									
9									
10									
11									
12									
13									
14									
15	<b>Total</b>	\$ 1,087,895,000	\$ 16,235,773			\$ 6,282,001	\$ -	\$ 2,035,139	\$ 4,246,862

**PEOPLES NATURAL GAS COMPANY, LLC - TOTAL COMPANY**

**217. EXTRAORDINARY PROPERTY LOSSES (Account 182)**

1. Report below the information indicated concerning this account, grouping the items by departments, and showing totals for each department.
2. Include in the description the date property was abandoned or other extraordinary loss incurred.

Line No.	Description of Property Loss Or Damage (a)	Comm. Auth. No. (b)	Amortization Period (Give Years Only)		Total Amount of Loss (e)	Previously Written off (f)	Written off During Year		Balances At End of Year (i)
			From (c)	To (d)			Account Charged (g)	Amount (h)	
1	None								
2									
3									
4									
5									
6									
7									
8	<b>Total</b>								\$ -

**PEOPLES NATURAL GAS COMPANY LLC - TOTAL COMPANY**

**231. LONG-TERM DEBT (Accounts 221,222,224)**

(Excluding Advances from Affiliated Companies)

1. Give below the particulars indicated of the long-term debt at end of year represented by unmatured obligations issued or assumed by the respondent, exclusive of advances from affiliated companies.
2. Group entries according to accounts and show the total for each account.
3. For obligations assumed by the respondent show in column (a) the name of the issuing company and the class and series of such obligations.
4. For Receivers' Certificates show the name of the court and date of court order under which such certificates were issued.
5. If respondent has pledged any of its long-term debt securities give particulars in a footnote, including name of the pledge name of the pledge and purpose of pledge.
6. If interest expense was incurred during the year on any obligations retired or reacquired before end of year include such interest expense in column (g).
7. If interest was matured but unpaid on any obligation, state in a footnote the class and series and principal amount of such obligation and the amount of interest matured thereon.

Line No.	Class and Series of Obligations (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Principal Amount Authorized (d)	Outstanding Per Balance Sheet (e)	Interest For Year		Held By Respondent	
						Rate (f)	Amount (g)	As Reacquired. Lg.-Term Debt (h)	In Sinking & Other Funds (i)
1	None								
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28	TOTAL			0	0		0	0	0

\*Total amount outstanding without reduction for amount held by respondent.



**400. INCOME STATEMENT  
REVENUES AND EXPENSES**

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule Page No. (b)	Balance Current Year (c)	Balance Previous Year (d)	Increase/Decrease (e)
1	<b>OPERATING EXPENSES</b>				
2	401 Operation Expenses		\$ 121,524,641	\$ 168,516,931	\$ (46,992,290)
3	402 Maintenance Expenses		11,782,746	13,725,682	(1,942,936)
4	403 Depreciation Expenses		21,370,142	19,726,909	1,643,233
5	404.0 Amort. & Depletion of Utility Plant		2,863,758	4,474,974	(1,611,216)
6	404.1 Amort. & Depletion of Prod. Natural Gas Land & Rights				-
7	404.2 Amort. Of Underground Storage Land & Land Rights		33	34	(1)
8	404.3 Amort. Of Other Limited-Term Gas Plant				-
9	405.0 Amortization of Other Gas Plant				-
10	406.0 Amortization of Gas Plant Acquisition Adjustments				-
11	407.1 Amort. Of Prop. Losses, Unrec. Plant & Reg. Study C.				-
12	407.2 Amortization of Conversion Expense				-
13	407.3 Regulatory Debits				-
14	407.4 Regulatory Credits				-
15	408.1 Taxes Other Than Income Taxes, Utility Opr. Income	408	3,310,181	4,517,082	(1,206,901)
16	409.1 Income Taxes, Utility Operating Income	409	8,397,161	9,490,769	(1,093,608)
17	410.1 Provision for Deferred Income Taxes, Ut. Opr. Income	411	29,991,256	28,578,967	1,412,289
18	411.1 Prov. For Def. Income Taxes-Credit, Ut. Opr. Income	412	(11,046,123)	(12,059,791)	1,013,668
19	411.4 Investment Tax Credit Adjustments, Ut. Operations		-	-	-
20	411.6 Gains from Disposition of Utility Plant				-
21	411.7 Losses from Disp. of Utility Plant		-	-	-
22	Total Utility Operating Expenses		\$ 188,193,795	\$ 236,971,557	\$ (48,777,762)
23	<b>OTHER OPERATING INCOME</b>				
24	412.0 Revenues from Gas Plant Leased to Others		-	-	-
25	413.0 Expenses of Gas Plant Leased to Others				-
26	414.0 Other Utility Operating Income				-
27	Total Other Operating Income		-	-	-
28	<b>OTHER INCOME</b>				
29	415.0 Rev. from Merchandising, Jobbing and Contract Work				-
30	416.0 Costs and Exp. of Merchandising Jobbing & Contract Wk				-
31	417.0 Revenue from Non-Utility Operations		\$ 2,163,204	\$ 2,163,204	\$ -
32	417.1 (Less) Expenses of Nonutility Operations		(2,287,360)	(2,140,523)	(146,837)
33	418.0 Non Operating Rental Income				-
34	418.1 Equity in Earnings of Subsidiary Companies		-	-	-
35	419.0 Interest & Dividend Income		14,832	822,053	(807,221)
36	419.1 Allowance for Other Funds Used During Construction		-	-	-
37	421.0 Miscellaneous Non Operating Income		-	10,058	(10,058)
38	421.1 Gain on Disposition of Property, Total Other Income		-	-	-
39	Total Other Income		\$ (109,324)	\$ 854,792	\$ (964,116)
40	<b>OTHER INCOME DEDUCTIONS</b>				
41	421.2 Loss on Disposition of Property				-
42	425.0 Miscellaneous Amortization				-
43	426.1 Donations		\$ 575,082	\$ 273,137	\$ 301,945
44	426.2 Life Insurance		-	-	-
45	426.3 Penalties		-	-	-
46	426.4 Exp. for Certain Civic, Political & Related Activities		10,692	7,566	3,126
47	426.5 Other Deductions		-	-	-
48	Total Other Income Deductions		\$ 585,774	\$ 280,703	\$ 305,071
49	<b>TAXES APPLICABLE TO OTHER INCOME &amp; DED.</b>				
50	408.2 Taxes Other Than Income Taxes, Otr. Income & Ded.		\$ 200,000	\$ 300,000	\$ (100,000)
51	409.2 Income Taxes, Other Income & Deductions		(41,540)	354,683	(396,223)
52	410.2 Prov. for Deferred Income Taxes, Otr. Income & Ded.		-	-	-
53	411.2 Prov. for Def. Income Taxes, Credit, Otr Income & Ded.		(321,609)	(237,815)	(83,794)
54	411.5 Investment Tax Cr. Adjustments, Nonutility Operations				-
55	420.0 Investment Tax Credits		-	-	-
56	Total Taxes on Other Income and Deductions		\$ (163,149)	\$ 416,868	\$ (580,017)
57	Net Other Income and Deductions		\$ (531,949)	\$ 157,221	\$ (689,170)

**400. INCOME STATEMENT  
REVENUES AND EXPENSES**

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule Page No. (b)	Balance Current Year (c)	Balance Previous Year (d)	Increase/Decrease (e)
1	<b>INTEREST CHARGES</b>				
2	427 Interest on Long-Term Debt				
3	428 Amortization of Debt Discount and Expense		\$ 495,808	\$ 495,808	-
4	428.1 Amortization of Loss on Reacquired Debt				-
5	429 Amortization of Premium on Debt-Credit				-
6	429.1 Amortization of Gain on Reacquired Debt-Credit				-
7	430 Interest on Debt to Associated Companies		14,484,428	14,476,659	7,769
8	431 Other Interest Expense		2,101,969	2,331,764	(229,795)
9	432 Allowance for Borrowed Funds Used During Construction-Cr		-	-	-
10	Net Interest Charges		\$ 17,082,205	\$ 17,304,231	\$ (222,026)
11	<b>EXTRAORDINARY ITEMS</b>				
12	434 Extraordinary Income		-	-	-
13	435 Extraordinary Deductions				-
14	409.3 Income Taxes-Extraordinary Items				-
15	Net Income		\$ 43,348,497	\$ 43,204,081	\$ 144,416
16					
17					
18					
19					
20					
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**405. OPERATION AND MAINTENANCE EXPENSES**

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule Page No. (b)	Balance Current Year (c)	Balance Previous Year (d)	Increase/Decrease (e)
1	<b>MANUFACTURED GAS PRODUCTION EXPENSES</b>		XXX	XXX	XXX
2	<b>Steam Production Expenses</b>				
3	<b>Operation</b>				
4	700.0 Operation Supervision and Engineering				-
5	701.0 Operating Labor				-
6	702.0 Boiler Fuel				-
7	703.0 Miscellaneous Steam Expenses				-
8	<b>Total Steam Production Operation Expenses</b>		-	-	-
9	<b>Maintenance</b>				
10	704.0 Steam Transferred-Credit				-
11	705.0 Maintenance, Supervision and Engineering				-
12	706.0 Maintenance of Structures and Improvements				-
13	707.0 Maintenance of Boiler Plant Improvement				-
14	708.0 Maintenance of Other Steam Production Plant				-
	<b>Total Steam Production Maintenance Expenses</b>		-	-	-
15	<b>Manufactured Gas Production</b>				
16	710.0 Operation Supervision and Engineering				-
17	<b>Production Labor and Expenses</b>				
18	711.0 Steam Expenses				-
19	712.0 Other Power Expenses				-
20	713.0 Coke Oven Expenses				-
21	714.0 Producer Gas Expenses				-
22	715.0 Water Gas Generating Expenses				-
23	716.0 Oil Gas Generating Expenses				-
24	717.0 Liquefied Petroleum Gas Expenses				-
25	718.0 Other Process Production Expenses				-
	<b>Total Production Labor and Expenses</b>		-	-	-
26	<b>Gas Fuels</b>				
27	719.0 Fuel Under Coke Ovens				-
28	720.0 Producer Gas Fuel				-
29	721.0 Water Gas Generator Fuel				-
30	722.0 Fuel for Oil Gas				-
31	723.0 Fuel for Liquefied Petroleum Gas Process				-
32	724.0 Other Gas Fuels				-
	<b>Total Gas Fuels Expenses</b>		-	-	-
33	<b>Gas Raw Materials</b>				
34	725.0 Coal Carbonized in Coke Ovens				-
35	726.0 Oil for Water Gas				-
36	727.0 Oil for Oil Gas				-
37	728.0 Liquefied Petroleum Gas Expenses				-
38	729.0 Raw Materials for Other Gas Processes				-
39	730.0 Residuals Expenses				-
40	731.0 Residuals Produced-Credit				-
41	732.0 Purification Expenses				-
42	733.0 Gas Mixing Expenses				-
43	734.0 Duplicate Charges-Credit				-
44	735.0 Miscellaneous Production Expenses				-
45	736.0 Rents				-
	<b>Total Gas Raw Materials Expenses</b>		-	-	-
46	<b>Maintenance</b>				
47	740.0 Maintenance Supervision and Engineering				-
48	741.0 Maintenance of Structures and Improvements				-
49	742.0 Maintenance of Production Equipment				-
	<b>Total Maintenance Expenses</b>		-	-	-
	<b>Total Manufactured Gas Production Expenses</b>		-	-	-
50	<b>NATURAL GAS PRODUCTION EXPENSES</b>		XXX	XXX	XXX
51	<b>Production and Gathering</b>				
52	<b>Operation</b>				
53	750.0 Operating Supervision and Engineering				-
53	751.0 Production Maps and Records		\$ 23		\$ 23
54	752.0 Gas Wells Expenses		-	167	(167)



**405. OPERATION AND MAINTENANCE EXPENSES (Continue)**

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule Page No. (b)	Balance Current Year (c)	Balance Previous Year (d)	Increase/Decrease (e)
1	753.0 Field Lines Expenses		\$ 8,301	\$ 61,098	\$ (52,797)
2	754.0 Field Compressor Station Expenses		664,846	630,141	34,706
3	755.0 Field Compressor Station Fuel and Power		309	-	309
4	756.0 Field Measuring and Regulating Station Expenses		11,624	8,543	3,081
5	757.0 Purification Expenses				
6	758.0 Gas Well Royalties		3,249	3,402	(153)
7	759.0 Other Expenses		62		
8	760.0 Rents				
	<b>Total Production &amp; Gathering Operation Expenses</b>		\$ 688,415	\$ 703,351	\$ (14,997)
9	<b>Maintenance</b>				
10	761.0 Maintenance Supervision and Engineering				
11	762.0 Maintenance of Structures and Improvements		\$ -	\$ 8,552	\$ (8,552)
12	763.0 Maintenance of Producing Gas Wells		26,921	31,813	(4,892)
13	764.0 Maintenance of Field Lines		156,374	234,940	(78,566)
14	765.0 Maintenance of Field Compressor Station Equipment		629,715	412,270	217,445
15	766.0 Maintenance of Field Measuring and Reg. Station Equip.		12,625	9,784	2,841
16	767.0 Maintenance of Purification Equipment				
17	768.0 Maintenance of Drilling and Cleaning Equipment				
18	769.0 Maintenance of Other Equipment				
	<b>Total Production &amp; Gathering Maintenance Expenses</b>		\$ 825,635	\$ 697,359	\$ 128,276
19	<b>Products Extraction</b>				
20	<b>Operation</b>				
21	770.0 Operation Supervision and Engineering				-
22	771.0 Operating Labor				-
23	772.0 Gas Shrinkage				-
24	773.0 Fuel				-
25	774.0 Power				-
26	775.0 Materials				-
27	776.0 Operation Supplies and Expenses				-
28	777.0 Gas Processed by Others				-
29	778.0 Royalties on Products Extracted				-
30	779.0 Marketing Expenses				-
31	780.0 Products Purchased for Resale				-
32	781.0 Variation in Products Inventory				-
33	782.0 Extracted Products Used by the Utility-Credit				-
34	783.0 Rents				-
	<b>Total Products Extraction Operation Expenses</b>		-	-	-
35	<b>Maintenance</b>				
36	784.0 Maintenance Supervision and Engineering				-
37	785.0 Maintenance of Structures and Improvements				-
38	786.0 Maintenance of Extraction and Refining Equipment				-
39	787.0 Maintenance of Pipe Lines				-
40	788.0 Maintenance of Extracted Products Storage Equipment				-
41	789.0 Maintenance of Compressor Equipment				-
42	790.0 Maintenance of Gas Measuring & Regulating Equipment				-
43	791.0 Maintenance of Other Equipment				-
	<b>Total Products Extraction Maintenance Expenses</b>		-	-	-
	<b>Total Natural Gas Production Expenses</b>		-	-	-
44	<b>EXPLORATION AND DEVELOPMENT EXPENSES</b>		XXX	XXX	XXX
45	<b>Operation</b>				
46	795.0 Delay Rentals				-
47	796.0 Nonproductive Well Drilling				-
48	797.0 Abandoned Leases				-
49	798.0 Other Exploration				-
	<b>Total Exploration and Development Operation Exp.</b>		-	-	-
50	<b>OTHER GAS SUPPLY EXPENSES</b>		XXX	XXX	XXX
51	<b>Operation</b>				
52	800.0 Natural Gas Well Head Purchases				-
52	800.1 Natural Gas Well Head Purchases - Segment Gas Costs		\$ 90,315,290	\$ 20,968,939	\$ 69,346,351
53	801.0 Natural Gas Well Head Purchases, Intercompany Trans.		-	1,446,199	(1,446,199)
54	802.0 Natural Gas Gasoline Plant Outlet Purchases				-
54	803.0 Natural Gas Transmission Line Purchases		3,080,569	49,274,996	(46,194,427)
55	804.0 Natural Gas City Gate Purchases		-	713,852	(713,852)

**405. OPERATION AND MAINTENANCE EXPENSES (Continued)**

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule Page No. (b)	Balance Current Year (c)	Balance Previous Year (d)	Increase/Decrease (e)
1	804.1 Liquefied Natural Gas Purchases				
2	805.0 Other Gas Purchases				
3	805.1 Purchases Gas Cost Adjustments		\$ (13,306,807)	\$ 2,643,732	\$ (15,950,539)
4	806.0 Exchange Gas		-	(486,491)	486,491
5	807.0 Purchased Gas Expenses		-	-	-
6	808.1 Gas Withdrawn from Storage-Debit		21,654,640	38,848,861	(17,194,220)
7	808.2 Gas Delivered to Storage-Credit		(20,068,143)	(20,779,125)	710,982
8	809.1 Withdrawals of Liquefied Nat. Gas Held for Processing				-
9	809.2 Deliveries of Natural Gas for Processing				-
10	810.0 Gas Used for Compressor Station Fuel-Credit				-
11	811.0 Gas Used for Products Extraction-Credit				-
12	812.0 Gas Used for Other Utility Operations-Credit				-
13	813.0 Other Gas Supply Expenses		5,037	7,819	(2,782)
	<b>Total Gas Supply Operation Expenses</b>		\$ 81,680,587	\$ 92,638,781	\$ (10,958,194)
14	<b>Natural Gas Storage, Terminating &amp; Processing Exp.</b>				
15	<b>Underground Storage Expenses</b>				
16	814.0 Operation Supervision and Engineering		-	-	-
17	815.0 Maps and Records				-
18	816.0 Wells Expenses				-
19	817.0 Lines Expenses				-
20	818.0 Compressor Station Expenses				-
21	819.0 Compressor Station Fuel and Power		\$ -	\$ -	-
22	820.0 Measuring and Regulating Station Expenses				-
23	821.0 Purification Expenses				-
24	822.0 Exploration and Development				-
25	823.0 Gas Losses				-
26	824.0 Other Expenses				-
27	825.0 Storage Well Royalties				-
28	826.0 Rents				-
	<b>Total Underground Storage Expenses</b>		\$ -	\$ -	\$ -
29	<b>Maintenance</b>				
30	830.0 Maintenance Supervision and Engineering				-
31	831.0 Maintenance of Structures and Improvements				-
32	832.0 Maintenance of Reservoirs and Wells				-
33	833.0 Maintenance of Lines		-	-	-
34	834.0 Maintenance of Compressor Station Equipment				-
35	835.0 Maintenance of Measuring & Regulating Station Equip.		-	-	-
36	836.0 Maintenance of Purification Equipment				-
37	837.0 Maintenance of Other Equipment				-
	<b>Total Maintenance Expenses</b>		-	-	-
38	<b>Other Storage Expenses</b>				
39	<b>Operation</b>				
40	840.0 Operating Supervision and Engineering				-
41	841.0 Operation Labor and Expenses				-
42	842.0 Rents				-
43	842.1 Fuel				-
44	842.2 Power				-
45	842.3 Gas Losses				-
	<b>Total Operation Expenses</b>		-	-	-
46	<b>Maintenance</b>				
47	843.1 Maintenance Supervision and Engineering				-
48	843.2 Maintenance of Structures and Improvements				-
49	843.3 Maintenance of Gas Holders				-
50	843.4 Maintenance of Purification Equipment				-
51	843.5 Maintenance of Liquefaction Equipment				-
52	843.6 Maintenance of Vaporizing Equipment				-
53	843.7 Maintenance of Compressor Equipment				-
54	843.8 Maintenance of Measuring and Regulatory Equipment				-
55	843.9 Maintenance of Other Equipment				-
	<b>Total Maintenance Expenses</b>		-	-	-

**405. OPERATION AND MAINTENANCE EXPENSES (Continued)**

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule Page No. (b)	Balance Current Year (c)	Balance Previous Year (d)	Increase/Decrease (e)
1					
2	<b>LIQUEFIED NATURAL GAS TERMINATING AND</b>				
3	<b>PROCESSING EXPENSES</b>		XXX	XXX	XXX
4	<b>Operation</b>				
5	844.1 Operation Supervision and Engineering				-
6	844.2 LNG Processing Terminal Labor and Expenses				-
7	844.3 Liquefaction Processing Labor and Expenses				-
8	844.4 LNG Transportation Labor and Expenses				-
9	844.5 Measuring and Regulating Labor and Expenses				-
10	844.6 Compressor Station Labor and Expenses				-
11	844.7 Communication System Expenses				-
12	844.8 System Control and Load Dispatching				-
13	845.1 Fuel				-
14	845.2 Power				-
15	845.3 Rents				-
16	845.4 Demurrage Charges				-
17	845.5 Warfare Receipts-Credit				-
18	845.6 Processing Liquefied or Vaporized Gas by Others				-
19	846.1 Gas Losses				-
20	846.2 Other Expenses				-
	<b>Total Liq. N.G. Term &amp; Proc. Operation Expenses</b>		-	-	-
21	<b>Maintenance</b>				
22	847.1 Maintenance Supervision and Engineering				-
23	847.2 Maintenance of Structures and Improvements				-
24	847.3 Maintenance of LNG Processing Terminal Equipment				-
25	847.4 Maintenance of LNG Transportation Equipment				-
26	847.5 Maintenance of Measuring and Regulating Equipment				-
27	847.6 Maintenance of Compressor Station Equipment				-
28	847.7 Maintenance of Communication Equipment				-
29	847.8 Maintenance of Other Equipment				-
	<b>Total Liq. N.G. Term. Proc. Maintenance Expenses</b>		-	-	-
30	<b>TRANSMISSION EXPENSES</b>		XXX	XXX	XXX
31	<b>Operation</b>				
32	850.0 Operating Supervision and Engineering		-	-	-
33	851.0 System Control and Load Dispatching				-
34	852.0 Communication System Expenses				-
35	853.0 Compressor Station Labor and Expenses		\$ 14,736	\$ 298,589	\$ (283,853)
36	854.0 Gas for Compressor Station Fuel				-
37	855.0 Other Fuel and Power for Compressor Stations				-
38	856.0 Mains Expenses		\$ 23,685	\$ 43,257	\$ (19,572)
39	857.0 Measuring and Regulating Station Expenses		\$ 5,598	\$ 5,809	\$ (211)
40	858.0 Transmission and Compression of gas by Others		\$ -	\$ 34,717,714	\$ (34,717,714)
41	859.0 Other Expenses				-
42	860.0 Rents				-
	<b>Total Transmission Operation Expenses</b>		\$ 44,019	\$ 35,065,368	\$ (35,021,350)
43	<b>Maintenance</b>				
44	861.0 Maintenance Supervision and Engineering				-
45	862.0 Maintenance of Structures and Improvements		\$ -	\$ 3,081	\$ (3,081)
46	863.0 Maintenance of Mains		138,069	241,697	(103,628)
47	864.0 Maintenance of Compressor Station Equipment		-	101,027	(101,027)
48	865.0 Maintenance of Measuring and Regulating Station Equip.		2,171	4,819	(2,648)
49	866.0 Maintenance of Communication Equipment		37,321	26,575	10,746
50	867.0 Maintenance of Other Equipment				-
	<b>Total Transmission Maintenance Expenses</b>		\$ 177,561	\$ 377,200	\$ (199,639)
52	<b>DISTRIBUTION EXPENSES</b>		XXX	XXX	XXX
53	<b>Operation</b>				
54	870.0 Operation Supervision and Engineering		\$ (366,778)	-	(366,778)
55	871.0 Distribution Load Dispatching		-	-	-
56	872.0 Compressor Station Labor and Expenses				-
57	873.0 Compressor Station Fuel and Power (Major Only)		-	-	-
58	874.0 Mains and Services Expenses		2,945,358	3,439,108	(493,750)
59	875.0 Measuring and Regulating Station Expenses-General		1,172,191	1,049,518	122,673

**405. OPERATION AND MAINTENANCE EXPENSES (Continued)**

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule Page No. (b)	Balance Current Year (c)	Balance Previous Year (d)	Increase/Decrease (e)
1	876.0 Measuring and Regulating Station Expenses-Industrial		\$ -	-	-
2	877.0 Measuring and Regulating Station Expenses-City Gate		4,237	1,684	2,553
3	878.0 Meter and House Regulator Expenses		1,670,301	1,890,858	(220,557)
4	879.0 Customer Installations Expenses		1,346,217	1,808,743	(462,525)
5	880.0 Other Expenses		1,181,128	1,399,615	(218,487)
6	881.0 Rents		343,152	317,592	25,560
7	<b>Total Distribution Operation Expenses</b>		\$ 8,295,806	\$ 9,907,117	\$ (1,611,311)
8	<b>Maintenance</b>				
9	885.0 Maintenance Supervision and Engineering		-	-	-
10	886.0 Maintenance of Structures and Improvements		\$ 1,996,215	\$ 2,090,651	\$ (94,436)
11	887.0 Maintenance of Mains		7,509,394	8,907,531	(1,398,137)
12	888.0 Maintenance of Compressor Station Equipment		-	-	-
13	889.0 Maintenance of Measuring & Reg. Station Equip.-Genl.		531,933	561,774	(29,841)
14	890.0 Maintenance of Measuring & Reg. Station Equip.-Indtrl.		70	349	(279)
15	891.0 Maintenance of Measuring & Reg. Station Equip.-City G		-	-	-
16	892.0 Maintenance of Services		267,984	600,218	(332,234)
17	893.0 Maintenance of Meters & House Regulators		148,483	19,447	129,035
18	894.0 Maintenance of Other Equipment		163,294	200,302	(37,008)
19	<b>Total Maintenance Expenses</b>		\$ 10,617,372	\$ 12,380,272	\$ (1,762,900)
20	<b>CUSTOMER ACCOUNTS EXPENSES</b>		XXX	XXX	XXX
21	<b>Operations</b>				
22	901.0 Supervision		\$ -	\$ -	\$ -
23	902.0 Meter Reading Expenses		744,045	539,528	204,517
24	903.0 Customer Records & Collection Expenses		5,397,843	5,917,722	(519,879)
25	904.0 Uncollectable Accounts		2,393,289	1,315,587	1,077,702
26	905.0 Miscellaneous Customer Accounts Expenses		-	-	-
27	<b>Total Customer Account Operations Expenses</b>		\$ 8,535,176	\$ 7,772,837	\$ 762,339
28	<b>CUSTOMER SERVICE &amp; INFORM. EXPENSES</b>		XXX	XXX	XXX
29	<b>Operations</b>				
30	907.0 Supervision		\$ 161,236	\$ 344,569	\$ (183,333)
31	908.0 Customer Assistance Expenses		2,771,781	(1,679,214)	4,450,995
32	909.0 Informational & Instructional Advertising Expenses		73,899	25,368	48,530
33	910.0 Miscellaneous Customer Service & Informational Exp.		-	-	-
34	<b>Total Cust. Service &amp; Inform. Operations Expenses</b>		\$ 3,006,916	\$ (1,309,277)	\$ 4,316,193
35	<b>SALES EXPENSES</b>		XXX	XXX	XXX
36	<b>Operation</b>				
37	911.0 Supervision		\$ -	-	-
38	912.0 Demonstrating and Selling Expenses		(1,938)	(3,779)	1,842
39	913.0 Advertising Expenses		-	-	-
40	914.0 (Reserved)		-	-	-
41	915.0 (Reserved)		-	-	-
42	916.0 Miscellaneous Sales Expenses		-	-	-
43	<b>Total Operation Sales Expenses</b>		\$ (1,938)	\$ (3,779)	\$ 1,842
44	<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>		XXX	XXX	XXX
45	<b>Operation</b>				
46	920.0 Administrative and General Salaries		\$ 6,717,330	\$ 14,320,348	\$ (7,603,018)
47	921.0 Office Supplies and Expenses		1,710,110	1,781,558	(71,448)
48	922.0 Administrative Expenses Transferred-Credit		(7,552,891)	(7,055,246)	(497,645)
49	923.0 Outside Service Employed		3,774,054	5,238,173	(1,464,119)
50	924.0 Property Insurance		124,392	138,341	(13,949)
51	925.0 Injuries and Damages		2,071,545	2,257,791	(186,246)
52	926.0 Employee Pensions and Benefits		8,991,589	6,886,392	2,105,197
53	927.0 Franchise Requirements		-	-	-
54	928.0 Regulatory Commission Expenses		17,771	16,045	1,727
55	929.0 Duplicate Charges-Credit		-	-	-
56	930.1 General Advertising Expenses		1,312,471	661	1,311,810
57	930.2 Miscellaneous General Expenses		291,268	155,842	135,426
58	931.0 Rents		1,818,020	2,629	1,815,391
59	<b>Total Administrative and General Operation Expenses</b>		\$ 19,275,659	\$ 23,742,534	\$ (4,466,875)
60	<b>Maintenance</b>				
61	932.0 Maintenance of General Plant		\$ 162,177	\$ 270,850	\$ (108,672)
	<b>Total Administrative and General Maintenance Expenses</b>		\$ 162,177	\$ 270,850	\$ (108,672)
62	<b>Total Gas Operation and Maintenance Expenses</b>		\$ 133,307,387	\$ 182,393,705	\$ (49,086,318)
63					
64	<b>Total Gas Operation Expenses</b>		\$ 121,524,641	\$ 168,516,932	\$ (46,992,291)
65	<b>Total Maintenance Expenses</b>		\$ 11,782,746	\$ 13,876,773	\$ (2,094,027)

**408. TAXES OTHER THAN INCOME TAXES, UTILITY OPERATING INCOME (Account 408.1)**

This schedule shall include a breakdown of the various tax expenses that constitute the ending balance in Account No. 408.1-Taxes Other Than Income Taxes Utility Operating Income. The information should also reflect related entries to Account No. 165-Prepayments; and Account No. 236-Taxes Accrued.

Line No.	Type of Tax (a)	Account 165 Prepayments (b)	Account 236 Taxes Accrued (c)	Account 408.1 Taxes Other Than Income (d)
1	Social Security	-	-	-
2	Federal Unemployment	-	-	-
3	Pennsylvania Unemployment	-	-	-
4	Utility Regulatory Assessment	-	\$ (1,102,987)	\$ 1,102,987
5	Local Property Taxes	-	(189,079)	189,079
6	Public Utility Realty Tax	-	(81,973)	81,973
7	State Capital Stock Tax	-	(5,205)	5,205
8	Other Taxes (specify) Payroll Tax	-	(1,762,572)	1,762,572
9	Use Tax	-	(165,477)	165,477
10	Miscellaneous Tax	-	(2,888)	2,888
11	TOTAL	-	\$ (3,310,181)	\$ 3,310,181

**409. INCOME TAXES, UTILITY OPERATING INCOME (Account 409.1)**

This schedule shall include a breakdown of the various tax expenses that constitute the ending balance in Account No. 409.1-Income Taxes, Ut. Operating Income. The information should also reflect related entries to Account No. 165-Prepayments; Account No. 190-Accumulated Deferred Income Taxes and Account No 236 - Accrued Taxes, Income Taxes

Line No.	Type of Tax (a)	Account 165 Prepayments (b)	Account 190 Accumulated Def. Income Taxes (c)	Account 236 Accrued Taxes (d)	Account 409.1 Income Taxes Opr Income (e)
1	Federal Income Taxes	-	-	\$ (6,416,177)	\$ 6,416,177
2	State Income Taxes	-	-	(1,980,984)	1,980,984
3	Local Income Taxes	-	-	-	-
4		-	-	-	-
5		-	-	-	-
6		-	-	-	-
7		-	-	-	-
8	Other Taxes (specify)	-	-	-	-
9		-	-	-	-
10		-	-	-	-
11	TOTAL	\$ -	-	\$ (8,397,161)	\$ 8,397,161

**410. CALCULATION OF FEDERAL INCOME TAXES - CURRENT PERIOD**

1. The totals as reported on this schedule should conform with amounts reported on corresponding Schedules.

Line No.	Item (a)	Total (b)	Current (c)	Deferred Property Related (d)	Deferred Other (e)
1	Operating Revenues	\$ 249,156,446	\$ 249,156,446	-	-
2	Operating Expenses	157,541,318	157,541,318	-	-
3	Operating Taxes (Non-Income)	3,310,181	3,310,181	-	-
4	Interest & Other Expense	17,082,205	17,082,205	-	-
5	Pre-Tax Operating Income	-	-	-	-
	Total Line 1 Minus Lines 2-3-4	\$ 71,222,742	\$ 71,222,742	-	-
6	Other Income (Expense)	\$ (895,098)	\$ (895,098)	-	-
7	Pre Tax Book Income	-	-	-	-
	Total Lines 5+6	\$ 70,327,644	\$ 70,327,644	-	-
8	Permanent and Flow-Through Differ.	198,754	198,754	-	-
9	Temporary Differences	(52,199,441)	(52,199,441)	-	-
10	State Only Differences - Bonus/NOL	-	-	-	-
11	Subtotal	\$ 18,326,957	\$ 18,326,957	-	-
		-	-	-	-
12	State Tax at Current Rate	\$ 3,945,614	\$ 1,830,863	-	\$ 2,114,751
13	Adjustments to State Tax	139,200	139,200	-	-
14	Adjustments for St. Tax Rate Changes	-	-	-	-
15	State Tax Accrual	-	-	-	-
	Total Lines 12+13+14	\$ 4,084,814	\$ 1,970,063	-	\$ 2,114,751
16	Federal Taxable Income	-	-	-	-
	Total Line 11 Minus Lines 10-12-13	\$ 14,242,143	\$ 16,356,894	-	\$ (2,114,751)
17	Federal Tax at Current Rate	\$ 22,238,027	\$ 5,729,254	\$ 9,789,208	\$ 6,719,565
18	ITC Authorization	-	-	-	-
19	Adjustment for Fed. Tax Rate Changes	-	-	-	-
20	R & D Credits	-	-	-	-
21	IRS Audit Settlement	-	-	-	-
22	Tax Rate Change on Extraord. Activity	-	-	-	-
23	Other	656,304	656,304	-	-
		-	-	-	-
24	Federal Tax Accrual	-	-	-	-
	Total Lines 17 through 23	\$ 22,894,331	\$ 6,385,558	\$ 9,789,208	\$ 6,719,565

**411. PROVISION FOR DEFERRED INCOME TAXES  
UTILITY OPERATING INCOME (Account 410.1)**

This schedule shall include a breakdown of the various tax expenses that constitute the ending balance in Account No. 410.1-Provision for Deferred Income Taxes, Utility Operating Income. The information should also reflect related entries to Account No. 190, 282 & 283 - Accumulated Deferred Income Tax.

Line No.	DEBITS Type of Tax (a)	Account 190 Accumulated Deferred Income Tax (b)	Account 282 Accumulated Deferred Income Taxes (c)	Account 283 Accumulated Deferred Income Taxes (d)	Account 410.1 Provision for Deferred Income Taxes (e)
1	Federal	-	\$ (18,375,724)	\$ (8,831,173)	\$ 27,206,897
2	State	-	-	(2,784,359)	2,784,359
3	Other	-	-	-	-
4	-	-	-	-	-
5	-	-	-	-	-
6	-	-	-	-	-
7	Total	-	\$ (18,375,724)	\$ (11,615,532)	\$ 29,991,256

**412. PROVISION FOR DEFERRED INCOME TAXES  
UTILITY OPR. INCOME, CREDIT (Account 411.1)**

This schedule shall include a breakdown of the various tax expenses that constitute the ending balance in Account No. 411.1-Provision for Deferred Income Taxes-Credit. The information should also reflect related entries to Account No. 190, 282 & 283 - Accumulated Deferred Income Tax.

Line No.	DEBITS Type of Tax (a)	Account 190 Accumulated Deferred Income Tax (b)	Account 282 Accumulated Deferred Income Taxes (c)	Account 283 Accumulated Deferred Income Taxes (d)	Account 411.1 Provision for Deferred Income Taxes (e)
1	Federal	-	\$ 8,586,516	\$ 1,867,430	\$ (10,453,946)
2	State	-	-	592,177	(592,177)
3	Other	-	-	-	-
4	-	-	-	-	-
5	-	-	-	-	-
6	-	-	-	-	-
7	Total	-	\$ 8,586,516	\$ 2,459,607	\$ (11,046,123)

**PEOPLES NATURAL GAS COMPANY LLC - TOTAL COMPANY****500. GAS PURCHASED**

1. Report below the information called for concerning gas purchased for resale during year.
2. Purchases from independent natural gas producers shall be grouped on one line and columns (a), (d), (g) and (h) only shall be reported with respect to such purchase.
3. The quantities reported should be those shown by the bills rendered by the vendor. Indicate MCF, CCF or Therms
4. Report separately non-interruptible and interruptible purchases from the same company. Designate purchases from affiliated interest by an asterisk following the name in column (d).

Line No.	Purchased From (a)	Point of Delivery (b)	B.T.U. Per Cu. Ft. (c)	Mcf (d)	Commodity Charges (e)	Other Charges (f)	Total (g)	Cost Per Unit (h)
1	801 Field Line Purchases*			10,776,969	\$ 15,030,579	n/a	\$ 15,030,579	\$ 1.39
2								\$ -
3	Dominion Transmission Company	Allegheny, Beaver, Butler, Westmoreland			\$ 4,213,296	See Note	\$ 4,213,296	\$ -
4								\$ -
5	Equitrans LP	Allegheny, Washington			67,216,355	See Note	\$ 67,216,355	\$ -
6	National Fuel Gas Supply	Butler, Mercer, Venango			738,207	See Note	738,207	\$ -
7	Dominion Field Services	Various Locations			37,151	See Note	37,151	\$ -
8	EDF Trading	Fixed Demand Charge (N/A)			5,460	See Note	5,460	\$ -
9	EQT Energy	Fixed Demand Charge (N/A)			7,483,676	See Note	7,483,676	\$ -
10	Equitable Gas Company	Various Locations			6,651,213	See Note	6,651,213	\$ -
11	South Jersey Resources	Fixed Demand Charge (N/A)			82,536	See Note	82,536	\$ -
12	Peoples TWP Slease Farm	Various Locations			1,154,336	See Note	1,154,336	\$ -
13	Texas Eastern Transmission	Blair, Cambria, Somerset			2,158,745	See Note	2,158,745	\$ -
14	Spot Market Purchases			50,957,993	119,060,002		119,060,002	\$ 2.34
15	Total Pipeline Purchases*			50,957,993	\$ 208,800,979		\$ 208,800,979	\$ 4.10
16								\$ -
17	804 City Gate Purchases			1,679,512	\$ 1,911,428		\$ 1,911,428	\$ 1.14
18								\$ -
19	805 Purchased Gas Cost Adjustments			n/a	\$ (31,872,688)		\$ (31,872,688)	\$ -
20								\$ -
	Totals			63,414,474	\$ 193,870,298		\$ 193,870,298	\$ 3.06

Note: Included in Commodity Charges is \$89,740,977 recorded as Transmission and Compression of Gas by Others.

Transmission and Compression Costs are included in the determination of Purchased Gas Cost Adjustments.

\* Includes costs for on-system and off-system activity.

**501. SALES FOR RESALE**

1. Report below the information called for concerning gas sold during year to other gas utilities or to public authorities for resale.
2. The quantities shown should be those shown by the bills rendered to the purchasers. Indicate MCF, CCF or Therms.
3. Report separately non-interruptible and interruptible sales to the same company. Designate sales to affiliated interest by an asterisk following the name in column (a)
4. Designate any sales which are other than firm sales.

Line No.	Sold To (a)	Point of Delivery (b)	BTU Per Cu. Ft. (c)	MCF CCF or Therms (d)	Commodity Charges (e)	Other Charges (f)	Total (g)	Revenue Per Unit (h)
1	UGI Energy			262,888			\$ 441,218.80	\$ 1.68
2	Direct Energy			38,058			\$ 67,054.11	\$ 1.76
3	ARM			15,208			\$ 30,857.03	\$ 2.03
4	Dominion Retail Inc			11,197			\$ 20,702.13	\$ 1.85
5	Snyder Bros			10,181			\$ 18,268.10	\$ 1.79
6	Interstate Gas Marketing			8,937			\$ 11,414.34	\$ 1.28
7	Stand Energy			4,103			\$ 8,438.16	\$ 2.06
8	T&F Exploration			844			\$ 2,188.44	\$ 2.59
9	PALMCO			835			\$ 1,453.26	\$ 1.74
10	South Jersey			243			\$ 493.05	\$ 2.03
11	ARM			160			\$ 428.89	\$ 2.68
12	Dominion Energy Solutions			221			\$ 346.33	\$ 1.57
13	Sprague Operating			52			\$ 71.80	\$ 1.38
14	Xoom Energy			17			\$ 34.43	\$ 2.03
	Totals			352,944			\$ 602,969	\$ 1.71



**PEOPLES NATURAL GAS COMPANY LLC - TOTAL COMPANY****505. GAS ACCOUNT-NATURAL GAS**

- 1 The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent adjusted for any differences in pressure bases used in measuring MCF of natural gas received and delivered.
- 2 If the respondent operates two or more systems which are not interconnected, separate schedules should be submitted. Insert pages should be used for this purpose.

No.	Item (a)	MCF as Reported (b)
1	<b>GAS RECEIVED</b>	
2	Natural Gas Produced	
3	L.P.G. Gas Produced and Mixed with Natural Gas	
4	Manufactured Gas Produced and Mixed with Natural Gas	
5	Purchased Gas	58,560,224
6	Gas of Others Received for Transportation	61,342,299
7	Receipts of Respondent's Gas Transported or Compressed by Others	-
8	Exchange Gas Received	3,039,822
9	Gas Received from Underground Storage	1,451,262
10	Other Receipts - Retainage	2,277,592
11		
12		
13		
14	Total Receipts:	126,671,199
15	<b>GAS DELIVERED</b>	-
16	Natural Gas Sales:	-
17	Local Distribution by Respondent	49,361,904
18	Main Line Industrial Sales	-
19	Sales for Resale	-
20	Interdepartmental Sales	-
21		
22	Total Sales	49,361,904
23	Deliveries of Gas Transported or Compressed for Others	61,342,299
24	Deliveries of Respondent's Gas for Trans. Or Compressed by Others	-
25	Exchange Gas Delivered	2,908,039
26	Natural Gas used by Respondent	832,548
27	Natural Gas Delivered to Storage	1,514,309
28	Natural Gas for Franchise Requirements	-
29	Other Deliveries: Off-system	2,666,598
30	Total Deliveries	118,625,697
31	<b>UNACCOUNTED FOR</b>	
32	Production System Losses - Gathering	1,492,791
33	Storage Losses	60,000
34	Transmission System Losses	-
35	Distribution System Losses	5,874,085
36	Other Losses	618,626
37		-
38	Total Unaccounted For	8,045,502
38	Total Deliveries and Unaccounted For	126,671,199

\*Quantities reflect the physical flow of gas

**PEOPLES NATURAL GAS COMPANY LLC - TOTAL COMPANY**  
**510. UNDERGROUND GAS STORAGE**

1. Report particulars for each underground gas storage project.
2. Give particulars of any gas stored for the benefit of another company under a gas exchange arrangement or on a basis of purchase and resale to another company. Designate if other company is an associated company.
3. Pressure base of gas volumes reported below.

Line No.	Month (a)	PNG Storage							EGC Storage			Total Storage	
		Total On System	Murrysville	Colvin **	Total Off System	Equitrans ***	Dominion	National Fuel	Total PNG Storage	Total Off System	Equitrans	Dominion	Total Storage
		(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	<b>Storage Operations</b>	MCF	MCF	MCF	MCF	MCF	MCF	MCF	MCF	MCF	MCF	MCF	MCF
2	<b>Gas Delivered to Storage</b>												
1	January	0	0	0	26,954	0	0	26,954	26,954	0	0	0	26,954
2	February	0	0	0	37,127	0	0	37,127	37,127	0	0	0	37,127
3	March	0	0	0	32,761	0	0	32,761	32,761	0	0	0	32,761
4	April	(112,136)	(112,136)	0	793,206	416,545	23,161	353,500	681,070	1,097,900	258,999	838,901	1,778,970
5	May	(217,049)	(217,049)	0	261,034	214,336	14,578	32,120	43,985	2,191,171	268,805	1,922,367	2,235,156
6	June	(224,272)	(224,272)	0	2,183,552	983,910	95,514	1,104,128	1,959,280	1,815,549	301,125	1,514,424	3,774,829
7	July	(224,283)	(224,283)	0	1,821,692	757,727	119,676	944,289	1,597,409	1,876,807	331,280	1,545,527	3,474,216
8	August	(224,283)	(224,283)	0	1,498,203	595,546	116,489	786,168	1,273,920	2,061,445	249,454	1,811,991	3,335,365
9	September	(224,272)	(224,272)	0	3,291,168	1,545,473	124,865	1,620,830	3,066,896	1,991,465	275,700	1,715,764	5,058,361
10	October	(163,708)	(163,708)	0	1,444,186	626,934	98,993	718,259	1,280,478	913,783	(271,812)	1,185,594	2,194,261
11	November	0	0	0	133,406	0	3,704	129,702	133,406	0	0	0	133,406
12	December	0	0	0	75,922	0	0	75,922	75,922	0	0	0	75,922
13	<b>Totals</b>	<b>(1,390,003)</b>	<b>(1,390,003)</b>	<b>0</b>	<b>11,599,211</b>	<b>5,140,471</b>	<b>596,980</b>	<b>5,861,760</b>	<b>10,209,208</b>	<b>11,948,120</b>	<b>1,413,551</b>	<b>10,534,569</b>	<b>22,157,328</b>
14	<b>Gas Withdrawn From Storage</b>												
15	January	(425,633)	(425,633)	0	4,150,909	1,966,466	191,862	1,992,581	3,725,276	1,637,398	425,472	1,211,925	5,362,674
16	February	(425,624)	(425,624)	0	2,395,245	1,164,437	159,896	1,070,912	1,969,621	2,443,701	163,968	2,279,733	4,413,322
17	March	(315,258)	(315,258)	0	389,706	202,714	107,427	79,565	74,448	1,499,413	(220,894)	1,720,307	1,573,861
18	April	0	0	0	402,712	0	0	402,712	402,712	0	0	0	402,712
19	May	0	0	0	214,281	0	0	214,281	214,281	0	0	0	214,281
20	June	0	0	0	23,940	0	0	23,940	23,940	0	0	0	23,940
21	July	0	0	0	5,174	0	0	5,174	5,174	0	0	0	5,174
22	August	0	0	0	5,037	0	0	5,037	5,037	0	0	0	5,037
23	September	0	0	0	5,186	0	0	5,186	5,186	0	0	0	5,186
24	October	0	0	0	85,294	0	0	85,294	85,294	0	0	0	85,294
25	November	(126,437)	(126,437)	0	416,866	251,598	0	165,268	290,429	1,821,714	525,176	1,296,538	2,112,143
26	December	(238,820)	(238,820)	0	2,011,793	878,602	170,323	962,868	1,772,973	1,716,651	(1,067,964)	2,784,615	3,489,624
27	<b>Totals</b>	<b>(1,531,772)</b>	<b>(1,531,772)</b>	<b>0</b>	<b>10,106,143</b>	<b>4,463,817</b>	<b>629,508</b>	<b>5,012,818</b>	<b>8,574,371</b>	<b>9,118,877</b>	<b>(174,242)</b>	<b>9,293,118</b>	<b>17,693,248</b>
28	Stored Gas End of Year-MCF	470,754	235,377	235,377	15,462,957	6,105,057	504,263	8,853,637	15,933,711	15,776,933	8,595,235	7,181,698	31,710,644
29	Est. Native Gas in Storage Reservoir-MCF	83,640	83,640	0	0	0	0	0	83,640	0	0	0	83,640
30	Total Gas in Reservoir-MCF (Lines 28 plus 29)	554,394	319,017	235,377	15,462,957	6,105,057	504,263	8,853,637	16,017,351	15,776,933	8,595,235	7,181,698	31,794,284
31	Storage Capacity (Escl. Native Gas)-MCF	3,162,000	3,162,000	0	6,719,244	4,941,734	1,057,692	719,818	9,881,244	13,312,687	11,033,484	2,279,203	23,193,931
32	Reservoir Pressure at which Storage Cap.-Computed		950#	0									
33	Number of Storage Wells in Project	8	8	0									
34	Number of Acres of Storage Area	737	737	0									
35	Maximum Day's Withdrawal from Storage	32,273	32,273	0									
36	Date of Maximum Day's Withdrawal		Apr 5, 2016	0									
37	Year Storage Operations Commenced		1943	1943									

\*\* Peoples discontinued operation of the Colvin storage facility in 2003.

\*\*\* Net of BB&A Storage

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**511. MANUFACTURED GAS PRODUCTION PLANT**

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- 1 Kind or Type of Plant \_\_\_\_\_ Location \_\_\_\_\_
- 2 Maximum Daily Capacity of Plant \_\_\_\_\_ MCF \_\_\_\_\_
- 3 Maximum Daily MCF of Gas Produced During Year \_\_\_\_\_ Date \_\_\_\_\_
- 4 Maximum Daily MCF of Gas Produced During Life of Plant \_\_\_\_\_ Date \_\_\_\_\_
- 5 Number of Days Plant was Commercially Operated During Year \_\_\_\_\_
- 6 Date Plant was last Commercially Operated \_\_\_\_\_
- 7 MCF of Gas Produced During the Year \_\_\_\_\_
- 8 Average BTU Content of Gas Produced \_\_\_\_\_

**NONE**

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**512. LIQUEFIED PETROLEUM GAS OPERATIONS**

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- 1 Location of Plant \_\_\_\_\_
- 2 MCF of Gas Produced During Year \_\_\_\_\_
- 3 Gallons of L.P.G. Used During Year \_\_\_\_\_
- 4 Function of Plant \_\_\_\_\_
- 5 Storage Capacity for L.P.G. (Gallons) \_\_\_\_\_

**NONE**

515. GAS AND OIL WELLS						
Line No.						
1	<b>GAS WELLS</b>					
2	Productive Wells at Beginning of Year		<b>44</b>			
3	Productive Wells Drilled During the Year					
4	Oil Wells Restored to Productive Basis During Year					
5	Wells Purchased During the Year					
6	Wells Abandoned During the Year					
7	Wells Sold During the Year					
8						
9	<b>Productive Wells at End of Year</b>		<b>44</b>			
10	Number of Wells Drilled Deeper During the Year					
11	Dry Holes Drilled During the Year					
12						
13	<b>NATURAL GAS ACREAGE</b>		<b>Operative</b>	<b>Non Operative</b>		
14	Number of Acres Owned at End of Year					
15	Number of Acres Leased at End of Year					
16						
17	<b>OIL WELLS</b>					
18	Productive Wells at Beginning of Year		<b>NONE</b>			
19	Productive Wells Drilled During the Year					
20	Wells Abandoned and Sold During the Year					
21						
22	<b>Productive Wells at End of Year</b>					
23						
24			<b>516. GAS LINES, METERS AND SERVICES</b>			
25						
26	Size of Pipe	Field Lines	Prod. Ext. Lines	Storage Lines	Distr. Mains	Transmission
27	Inches	M. Ft.	M. Ft.	M. Ft.	M. Ft.	M. Ft.
28	01"	0			0	0
29	02"	128			3,318	0
30	03"	201			4,277	1
31	04"	219			4,255	7
32	05"	31			73	0
33	06"	444			2,898	0
34	08"	554			1,686	99
35	10"	421			260	151
36	12"	150			648	234
37	14"	0			0	0
38	16"	48			392	120
39	20"	17			368	51
40	24"	0			187	0
41	30"	0			88	0
42	36"	0			22	0

Meters in Service at End of Year	<u>274,301</u>	Services at end of year, company owned	<u>254,432</u>
Meters in Stock or Shop at End of Year	<u>2,442</u>	Services at End of Year, Customer Owned	<u>None</u>

**517. CUSTOMER GAS METERS**

Line No.	(a)	Size (b)	Number of Meters			
			First of Year (c)	Added During Year (d)	Removed Or Disconnected During Year (e)	End of Year (e)
1	<b>In residential use</b>					
2						
3						
4						
5						
6						
7						
8						
9						
10	<b>Total in residential use</b>					
11	<b>In commercial use</b>					
12						
13						
14						
15						
16						
17						
18						
19						
20	<b>Total in commercial use</b>					
21	<b>In industrial use</b>					
22						
23						
24						
25						
26						
27						
28						
29						
30	<b>Total in industrial use</b>					
31	<b>In public (municipal or government) use</b>					
32						
33						
34						
35						
36						
37						
38						
39						
40	<b>Total in public (municipal or government) use</b>					
41	<b>Total in use</b>		273,006	4,014	2,719	274,301
42	<b>In Stock</b>		3,038	2,123	2,719	2,442
43			-	-	-	-
44			-	-	-	-
45			-	-	-	-
46			-	-	-	-
47			-	-	-	-
48			-	-	-	-
49			-	-	-	-
50	<b>Total in stock</b>		3,038	2,123	2,719	2,442
51	<b>Total all meters</b>		276,044	6,137	5,438	276,743

**METERS TESTED BY SIZES**

	(a)	(a)	1/2 (a)	5/8 (b)	3/4 (c)	1 (d)	(e)	(f)	(g)	Total (h)
52	Number tested during the year	Number tested during the year								

\*See page 42 (a)

**2016 Sampling Plan**

<b>6 Meter Families                      Family Breakdown                      By Manufacturer 250                      All Manufacturer 400                      All B Meters</b>		
	Population	Change
American 250	124,974	200
Rockwell 250	80,768	200
Sprague 250	12,352	125
Lancaster 250	13,817	125
All Manufacturer 400	3,715	80
B Meters	2,825	80
Total Sampling Changes		810
Total Sampling Meter Population - 238,534		

**600. CLASSIFICATION OF CUSTOMERS, UNITS SOLD AND OPERATING REVENUES BY TARIFF SCHEDULE**

1. Report below the details called for concerning Customers, MCF, CCF or Therms (Indicate Unit Used) Sold, and Opr. Revenues by Tariff Schedule.
2. Customers should be reported on the basis of number of meters, plus number of unmetered accounts, except that where separate meter readings are added for billing purposes, one customer shall be counted for each group of meters so added.
3. Quantities of gas sold to flat-rate customers shown in column (e), should explain in a footnote the basis upon which quantities were determined.
4. Respondent should use additional sheets if necessary.

Line No.	Account (a)	Number of Customers			Sales During Year			Revenues		
		Beginning of Year (b)	End of Year (c)	Average During Year (d)	Total MCF (e)	Total Operating Revenue (f)	MCF Per Customer (g)	Per Customer (h)	Per Unit (i)	
2	<b>Metered Sales by Tariff Schedule</b>									
3	<b>Residential</b>									
4	PA Retail - billed	230,550	226,426	225,820	19,035,657	\$ 159,318,782	84	\$ 706	\$ 8.37	
5	-unbilled				376,251	\$ 3,415,311				
6										
7										
8										
9										
10										
11										
12	Transportation	17,810	18,057	17,395	1,477,200	\$ 9,969,133	85	\$ 573	\$ 6.75	
13	-unbilled				30,997	\$ 162,806				
14	<b>Total Residential Metered Sales</b>	248,360	244,483	243,215	20,920,105	\$ 172,866,033	86	\$ 711	\$ 8.26	
15	<b>Commercial</b>									
16	PA Retail - billed	12,086	16,848	16,623	3,112,365	21,179,501	187	\$ 1,274	\$ 6.80	
17	-unbilled				52,222	420,811				
18										
19										
20										
21										
22										
23										
24	Transportation	3,679	3,920	4,693	8,560,725	\$ 25,449,315	1,824	\$ 5,423	\$ 2.97	
25	-unbilled				288	\$ (5,442)				
26	<b>Total Commercial Metered Sales</b>	15,765	20,768	21,315	11,725,600	\$ 47,044,186	550	\$ 2,207	\$ 4.01	
27	<b>Industrial</b>									
28	PA Retail - billed	49	53	51	85,164	\$ 456,257	1,685	\$ 9,028	\$ 5.36	
29	-unbilled				(491)	\$ (1,820)				
30										
31										
32										
33	Transportation	102	97	99	14,899,189	\$ 6,753,715	150,031	\$ 68,008	\$ 0.45	
34	<b>Total Industrial Metered Sales</b>	151	150	150	14,983,861	\$ 7,208,152	99,995	\$ 48,104	\$ 0.48	
35	Public									
36	Through Gathering Facilities	13	12	12	16,251,174	\$ 11,882,721				
37	Sales for Resale	10	14	14	352,944	\$ 602,969				
38	Other									
39										
40	<b>Total Metered Sales</b>	264,299	265,427	264,706	64,233,684	\$ 239,604,059	243	\$ 905	\$ 3.73	
41	<b>Unmetered Sales-All Categories</b>									
42	Other									
43	<b>Total Unmetered Sales</b>	-	-	-	-	-				
44	<b>Total Sales of Gas</b>	264,299	265,427	264,706	64,233,684	\$ 239,604,059	243	\$ 905	\$ 3.73	
45	Other Gas Revenues:									
46	Rent from Gas Property					\$ 366,174				
47	Interdepartmental Rents									
48	Operating Revenue Other Than Gas Sales					\$ 1,552,797				
49	Allowance to Customers									
50	Customers Forfeited Discounts & Penalties					\$ 1,592,307				
51	Miscellaneous Gas Revenues					\$ 6,041,109				
52	<b>Total Other Gas Revenues</b>	-	-	-	-	\$ 9,552,387				
53	<b>Total Gas Operating Revenues</b>	264,299	265,427	264,706	64,233,684	\$ 249,156,446				

**PEOPLES NATURAL GAS COMPANY LLC - TOTAL COMPANY**  
**605. NUMBER OF EMPLOYEES**

Report the requested information concerning the number of employees on respondent's payrolls at end of year.

Line No.	Classification According to Occupation (a)	Number at Year End (b)
1	Total Officials and Senior Manager Employees	10
2	Total Professional and Semiprofessional Employees	110
3	Total Business Office, Sales And Professional Employees	166
4	Total Clerical Employees	53
5	Total Operators	78
6	Total Construction, Installation and Maintenance Employees	446
7	Total Building, Supplies and Motor Vehicle Employees	0
8	All Other Employees Not Elsewhere Classified	0
9	Total All Employees	863

\*Includes Union Employees

Peoples Division	361
Equitable Division	155



**610. Territory Served - PENNSYLVANIA**

Report below the number of customers at the end of the year in respondent's distribution system in which service is furnished setting forth by counties the number of customers and the average number of customers during the year. Respondent should place an X in the box in column (b) if that county is served and supply related customer information in columns (d) and (e).

County Code (a)	Serves County (b)	Name of Pennsylvania County (c)	Number Of Customers At End Of Year (d)	Average Number Of Customers During Year (e)
01	X	Adams	2	2
02	X	Allegheny	232,783	232,144
03	X	Armstrong	2,733	2,745
04		Beaver		
05		Bedford		
06		Berks		
07	X	Blair	1	1
08		Bradford		
09		Bucks		
10	X	Butler	2,413	2,393
11		Cambria		
12		Cameron		
13		Carbon		
14		Centre		
15		Chester		
16	X	Clarion	228	227
17		Clearfield		
18		Clinton		
19		Columbia		
20		Crawford		
21		Cumberland		
22		Dauphin		
23		Delaware		
24		Elk		
25		Erie		
26	X	Fayette	32	32
27		Forest		
28		Franklin		
29		Fulton		
30	X	Greene	4,915	4,903
31		Huntingdon		
32	X	Indiana	51	54
33	X	Jefferson	39	42
34		Juniata		
35		Lackawanna		
36		Lancaster		
37		Lawrence		
38		Lebanon		
39		Lehigh		
40		Luzerne		
41		Lycoming		
42		McKean		
43		Mercer		
44		Mifflin		
45		Monroe		
46		Montgomery		
47		Montour		
48		Northampton		
49		Northumberland		
50		Perry		
51		Philadelphia		
52		Pike		
53		Potter		
54		Schuylkill		
55		Snyder		
56		Somerset		
57		Sullivan		
58		Susquehanna		
59		Tioga		
60		Union		
61		Venango		
62		Warren		
63	X	Washington	15,067	15,007
64		Wayne		
65	X	Westmoreland	7,137	7,130
66		Wyoming		
67		York		
Totals			265,401	264,680
Total Population of Territory Served (Estimated)			2,505,667	

VERIFICATION

The foregoing report must be verified by the oath of the officer having control of the accounting of the respondent. It shall be verified, also, by the oath of the president or other chief officer of the respondent. The oaths required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

OATH

(To be made by the officer having control of the accounting of the respondent)

Commonwealth of Pennsylvania

as:

County of Allegheny

Preston Poljak makes oath and says that he is Senior Vice President and Chief Financial Officer (Name of affiant) (Official title of affiant)

of Peoples Natural Gas Company LLC (Exact legal title or name of the respondent)

The signed officer has reviewed the report.

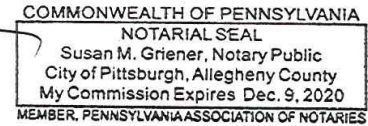
Based on the officer's knowledge, the report does not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading.

Based on such officer's knowledge, the financial statements, and other financial information included in the report, fairly present in all material respects, the financial condition and results of operations of the issuer as of, and for, the periods presented in the report.

He believes that all other statements contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including January 1, 2016 to and including, December 31, 2016.

Subscribed and sworn to and before me, a Notary Public

(Signature of affiant)



in and for the State and County above-named, this 15th day of May 2017

My commission expires 12/9/20 (Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

(By the president or other chief officer of the respondent)

Commonwealth of Pennsylvania

as:

County of Allegheny

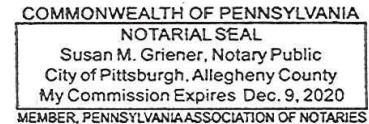
Morgan K. O'Brien makes oath and says that he is President & Chief Executive Officer (Name of affiant) (Official title of affiant)

of Peoples Natural Gas Company LLC

that he has carefully examined the foregoing report; that he believes that all statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above named respondent during the period of time from and including January 1, 2016 to and including December 31, 2016.

Subscribed and sworn to before me, a Notary Public

(Signature of affiant)



in and for the State and County above-named, this 15th day of May 2017

My commission expires 12/9/20 (Signature of officer authorized to administer oaths)

	A	B	C	D	E	F	G
1	COMPANY	CLASS	YEAREND	PLT_SVC	GAS_PLT	DEPR_AMORT	CWIP
2	PEOPLES NATURAL GAS LLC - EQUITABLE DIVISION	A	2,015	2,367,859,573	2,400,723,362	(558,849,950)	15,900,516

	H	I	J	K	L	M	N	O	P
1	PLT_AQ_ADJ	PLT_HLD_FU	MAT_SUPP	DEP_AM_RES	NET_BOOK	CIAC	PLAT_MTLS_OPR_SUPP	OP_REV	OP-EXP
2	284,894,602	0	3,092,138	(804,796,004)	1,563,063,569	0	3,092,138	249,156,446	121,524,641

	Q	R	S	T	U	V
1	MAIN_EXP	DEP_EXP	AMORT_LTD_GAS_PLT	AMORT_OTR_GAS_PLT	AMORT_PL_AQ	TAXES_OTR_THAN_INC
2	11,782,746	21,370,142	0	0	0	3,310,181

	W	X	Y	Z	AA	AB	AC	AD
1	INC_TAXES_OPR_INC	TTL_TAXES	TTL_OP_EXP	OP_INCOME	OTHER_INC	OTH_DED	NET_INCOME	TTL_MFG_GAS_PROD_EXP
2	8,397,161	30,652,475	188,193,795	60,962,651	(109,324)	585,774	43,348,497	0

	AE	AF	AG	AH
1	TTL_NAT_GAS_PROD_EXP	TTL_EXPL_DEV_OPR_EXP	TTL_PROD_GATH_OPR_EXP	TTL_PROD_GATH_MAINT_EXP
2	0	0	688,415	825,635

	AI	AJ	AK	AL	AM
1	SUPP_OPR_EX_PUR_GAS	SUPP_MAINT_EX_PUR_GAS_EXP	GAS_UTILITY_OPR	OTR_GAS_SUPP_EXP	UNDERGRD_STOR_EXP
2	3,080,569	(11,720,310)	0	5,037	0



	AN	AO	AP	AQ	AR	AS
1	NAT_GAS_MAINT_EXP	TRANS_EXP_OPR	TRANS_EXP_MAINT	DISTR_EXP_OPR	DISTR_EXP_MAINT	CUST_ACCTS_EXP
2	0	44,019	177,561	8,295,806	10,617,372	8,535,176

	AT	AU	AV	AW	AX	AY
1	CUST_SVE_INFO_EXP	SALES_EXP	ADM_GENL_EXP_OPR	ADM_GENL_EXP_MAINT	TTL_RECEIPTS_MCF	UNACCT_GAS_MCF
2	3,006,916	(1,938)	19,275,659	133,307,387	126,671,199	#REF!

	AZ	BA	BB	BC	BD	BE
1	TRANSPORTATION	DISTR_MAINS_M-FT	TRANS_MAINS_M_FT	SERV_EOY_CO_OWNED	RES_MET_CUST	COMM_MET_CUST
2	2,908,039	88	0	254,432	244,483	20,768

	BF	BG	BH	BI	BJ	BK
1	IND_MET_CUST	OTR_MET_CUST	TOTAL_MET_CUST	TOTAL_UNMET_CUST	TOTAL_TRANS_CUST	TOTAL_CUST
2	150	26	0	0	22,074	0

	BL	BM	BN	BO	BP	BQ	BR
1	TTL_RES_REV	RES_MCF_MET	AVG_RES_CUST	TTL_COMM_REV	COMM_MCF_MET	AVG_COMM_CUST	TTL_IND_REV
2	172,866,033	20,920,105	243,215	47,044,186	11,725,600	21,315	7,208,152

	BS	BT	BU	BV	BW	BX	BY
1	IND_MCF_MET	AVG_IND_CUST	TTL_TRANS_REV	AVG_TRANS_CUST	TTL_OTHER_REV	AVG_OTHER_CUST	RES_REV_MET
2	14,983,861	150	42,334,969	22,187	12,485,689	26	172,866,033

	BZ	CA	CB	CC
1	TOTAL_REV_UNMET	AV_RES_USE	AV_RES_BILL	TTL_ALL_EMPLOYEES
2	0	86	8	863