

**GAS ANNUAL REPORT
OF**

PEOPLES NATURAL GAS COMPANY LLC - PEOPLES DIVISION

375 NORTH SHORE DRIVE, SUITE 600, PITTSBURGH, PENNSYLVANIA 15212

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

**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 600, Pittsburgh, Pennsylvania 15212
Karen.R.Worcester@peoples-gas.com
412-208-6594**

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 Commission by the 30th of April at the following addresses:
ra-PUCFinacial@pa.gov
Pennsylvania Public Utility Commission,
400 North Street, Harrisburg, Pennsylvania, 17120
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 former Peoples entity. This is referred to as the Peoples Division throughout the report. The Comparative Balance Sheet information 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 the year 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)	\$ (10,562,811)
4/1/2016	\$ (0.25)	\$ (3,415,522)
7/1/2016	\$ 0.47	\$ 4,738,824
10/1/2016	\$ 0.55	\$ 4,656,165

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	\$ 1,859,969
7/1/2016		
10/1/2016	\$ 0.05	\$ 945,896

7. Important wage scale changes:

A three-year contract was ratified with the Utility Workers Union of America through October 31, 2018. A 2.5% wage increase was effective January 1,

Estimated effect on 2016 operating expenses - \$762,676

Estimated average annual effect on operating expenses - \$1,319,076

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

Estimated effect on 2016 operating expenses - \$694,465

Estimated average annual effect on operating expenses - \$833,358

8. through 10 - None

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.

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 stockholders 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		
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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							
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3								
4								
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11								
12								
13								
14								
15								
16							0%	

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				Telephone (h)	Term Began (i)	Term End (j)	Meetings Attended (k)	Fees Paid (l)
		Street Address (b)	City (c)	Stat (d)	Zip (e)					
1	Christopher P. Kinney	500 Fifth Avenue, 55th Fl.	New York	NY	10110	212 696 0110	Feb-10		4	None
2	James Mahoney	500 Fifth Avenue, 55th Fl.	New York	NY	10110	212 696 0110	Feb-10		4	\$33,000
3	Dennis T. Mahoney	500 Fifth Avenue, 55th Fl.	New York	NY	10110	212 696 0110	Feb-10		4	None
4	Victor A. Roque	4543 Dogwood Drive	Allison Park	PA	15101	412 392 4400	Feb-10		4	\$33,000
5	Morgan K. O'Brien (President & CEO)	375 North Shore Drive, Suite 600	Pittsburgh	PA	15212	412 208 7910	Feb-10		4	None
6	John McGuire	500 Fifth Avenue, 55th Fl.	New York	NY	10110	212 696 0110	Feb-12		4	None
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PEOPLES NATURAL GAS COMPANY LLC - TOTAL COMPANY**104. Officers**

Line No.	Official Title & Name (a)	Principal Business Address						Email (h)
		Street Address (b)	City (c)	State (d)	Zip (e)	Telephone (f)	Fax (g)	
1	President & Chief Executive Officer							
2	Morgan K. O'Brien	375 North Shore Drive	Pittsburgh	PA	15212	412 208 7910	1-866-518-0780	morgan.obrien@peoples-gas.com
3	Senior Vice President & Chief Information Officer							
4	Ruth M. DeLost	375 North Shore Drive	Pittsburgh	PA	15212	412 208-7920	412-208-6869	ruth.a.delost@peoples-gas.com
5	Senior Vice President, Rates & Regulatory							
6	Joseph A. Gregorini	375 North Shore Drive	Pittsburgh	PA	15212	412 208 7930	412-208-6869	joseph.a.gregorini@peoples-gas.com
7	Senior Vice President & Chief Financial Officer							
8	Preston Poljak	375 North Shore Drive	Pittsburgh	PA	15212	412-208-6563	412-208-6869	preston.poljak@peoples-gas.com
9	Vice President, General Counsel & Secretary							
10	John J. Luke	375 North Shore Drive	Pittsburgh	PA	15212	412 208 7907	412-208-6869	john.luke@peoples-gas.com
11	Vice Presidents:							
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
15	Edward Palombo - Reliability	375 North Shore Drive	Pittsburgh	PA	15212	412-258-4453	412-208-6869	edward.a.palombo@peoples-gas.com
14	Judith M. Stemmler - Human Resources	375 North Shore Drive	Pittsburgh	PA	15212	412-208-7908	412-208-6869	judi.stemmler@peoples-gas.com
16	Senior Vice President & Chief Operations Officer							
17	Kenneth M. Johnston (Through December 31, 2016)	375 North Shore Drive	Pittsburgh	PA	15212			
18	Vice President & Controller							
19	Gregory A. Sciuillo (Through April 30, 2016)	375 North Shore Drive	Pittsburgh	PA	15212			
20								
21								
22								
23								
24								

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	UTILITY PLANT				
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	TOTAL UTILITY PLANT		\$ 1,782,416,443	\$ 1,841,873,412	\$ 59,456,969
25	OTHER PROPERTY AND INVESTMENTS				
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	0
34	TOTAL OTHER PROPERTY AND INVESTMENTS		\$ 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	CURRENT AND ACCRUED ASSETS				
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	TOTAL CURRENT & ACCRUED ASSETS		\$ 137,198,522	\$ 153,543,013	\$ 16,344,491
32	DEFERRED DEBITS				
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	TOTAL DEFERRED DEBITS		\$ 195,589,426	\$ 214,562,604	\$ 18,973,178
48	TOTAL ASSETS & TOTAL DEBITS		\$ 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	LIABILITIES AND OTHER CREDITS				
2	PROPRIETARY CAPITAL				
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	TOTAL PROPRIETARY CAPITAL		\$ 824,913,456	\$ 857,114,446	\$ 32,200,990
22					
23	LONG-TERM DEBT				
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	TOTAL LONG TERM DEBT		\$ 787,895,000	\$ 643,148,600	\$ (144,746,400)
31					
32	OTHER NONCURRENT LIABILITIES				
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	TOTAL OTHER NONCURRENT LIABILITIES		\$ 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	CURRENT AND ACCRUED LIABILITIES				
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	TOTAL CURRENT AND ACCRUED LIABILITIES		\$ 178,902,674	\$ 378,447,706	\$ 199,545,032
18					
19	DEFERRED CREDITS				
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
26	TOTAL DEFERRED CREDITS		\$ 246,104,875	\$ 271,368,035	\$ 25,263,160
27					
28	TOTAL LIABILITIES & OTHER CREDITS		\$ 2,117,992,687	\$ 2,213,362,713	\$ 95,370,026

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

- 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	INTANGIBLE PLANT	XXX	XXX	XXX	XXX	XXX
2	301 Organization	\$ -				\$ -
3	302 Franchises & Consents	-				-
4	303 Other Plant and Miscellaneous Equipment	75,014,953	7,286,283	11,071,554		71,229,682
5	Total Intangible Plant	\$ 75,014,953	\$ 7,286,283	\$ 11,071,554	\$ -	\$ 71,229,682
6	MANUFACTURED GAS PRODUCTION PLANT	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	NATURAL GAS PRODUCTION & GATHERING PLANT	XXX	XXX	XXX	XXX	XXX
25	325.1 Producing Lands	75,600				75,600
26	325.2 Producing Leaseholds	10,016				10,016
27	325.3 Gas Rights	9,120				9,120
28	325.4 Rights of Way	1,345,527				1,345,527
29	325.5 Other Land and Land Rights	37,291				37,291
30	326 Other Plant and Miscellaneous Equipment	-				-
31	327 Field Compressor Station Structures	2,011,193				2,011,193
32	328 Field Measuring & Regulating Station Structures	45,916				45,916
33	329 Other Structures	1,894,903				1,894,903
34	330 Producing Gas Wells-Well Construction	9,221				9,221
35	331 Producing Gas Wells-Well Equipment	2,984				2,984
36	332 Field Lines	35,118,716	225,289	387,742		34,956,263
37	333 Field Compressor Station Equipment	27,674,439	116,793			27,791,232
38	334 Field Measuring & Regulating Station Equipment	1,596,930				1,596,930
39	335 Drilling & Cleaning Equipment	18,642				18,642
40	336 Purification Equipment	-				-
41	337 Other Equipment	124,470		341		124,129
42	338 Unsuccessful Exploration & Development Costs	-				-
43	339 Production Equipment Held under Asset Retirement Obligation	648,294				648,294
44	Total Natural Gas Production & Gathering Plant	\$ 70,623,262	\$ 342,082	\$ 388,083	\$ -	\$ 70,577,261
45	PRODUCTS EXTRACTION PLANT	XXX	XXX	XXX	XXX	XXX
46	340 Land and Land Rights	-				-
47	341 Other Plant and Miscellaneous Equipment	-				-
48	342 Extraction & Refining Equipment	-				-
49	343 Pipe Lines	-				-
50	344 Extracted Product Storage Equipment	-				-
51	345 Compressor Equipment	-				-
52	346 Gas Measuring and Regulating Equipment	-				-
53	347 Other Equipment	-				-
53	Total Products Extraction Plant	\$ -	\$ -	\$ -	\$ -	\$ -
54	NATURAL GAS PRODUCTION & PROCESSING PLANT	XXX	XXX	XXX	XXX	XXX
55	350.1 Land	\$ 16,824				\$ 16,824
56	350.2 Rights of Way	46,800				46,800
57	351 Structures and Improvements	1,745,106				1,745,106
58	352 Wells	1,047,294				1,047,294
59	352.1 Storage Leaseholds and Rights	182,671				182,671
60	352.2 Reservoirs	433,138				433,138
61	352.3 Nonrecoverable Natural Gas	205,251				205,251
62	353 Lines	2,219,967	140	85,661		2,134,446

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	7,566,303	11,255		-	7,577,558
63	355 Measuring and Regulating Equipment	75,749			-	75,749
64	356 Purification Equipment	-			-	-
65	357 Other Equipment	30,184			-	30,184
66	358 Underground Storage Equipment Held under Asset Retirement Obligation	18,455			-	18,455
67	Total Natural Gas Production and Processing Plant	\$ 13,587,742	\$ 11,395	\$ 85,661	\$ -	\$ 13,513,476
68	OTHER STORAGE PLANT	XXX	XXX	XXX	XXX	XXX
69	360 Land & Land Rights					-
70	361 Structures and Improvements					-
71	362 Gas Holders					-
72	363 Purification Equipment					-
73	363.1 Liquefaction Equipment					-
74	363.2 Vaporizing Equipment					-
75	363.3 Compressor Equipment					-
76	363.4 Measuring and Regulating Equipment					-
77	363.5 Other Equipment					-
78	Total Other Storage Plant					-
79	BASE LOAD LIQUEFIED NATURAL GAS TERMINATING AND PROCESSING PLANT	XXX	XXX	XXX	XXX	XXX
81	364.1 Land and Land Rights					\$ -
82	364.2 Structures and Improvements					-
83	364.3 LNG Processing Terminal Equipment					-
84	364.4 LNG Transportation Equipment					-
85	364.5 Measuring and Regulating Equipment					-
86	364.6 Compressor Station Equipment					-
87	364.7 Communication Equipment					-
88	364.8 Other Equipment					-
89	Total Base Load Liquefied Natural Gas Term. & Proc. Plant	\$ -	\$ -	\$ -	\$ -	\$ -
90	TRANSMISSION PLANT	XXX	XXX	XXX	XXX	XXX
91	365.1 Land and Land Rights	\$192,966				\$192,966
92	365.2 Rights of Way	2,162,099	34,368			2,196,467
93	366 Structures and Improvements	1,414,484	448			1,414,932
94	367 Mains	102,612,847	2,428,476	49,753		104,991,570
95	368 Compressor Station Equipment	-				-
96	369 Measuring and Regulating Station Equipment	15,397,942	1,701,586	50,233		17,049,295
97	370 Communication Equipment	-				-
98	371 Other Equipment	1,186,863	447,395			1,634,258
99	372 Transmission Equipment Held under Asset Retirement Obligation	653,478				653,478
100	Total Transmission Plant	\$123,620,679	\$4,612,273	\$99,986	\$0	\$128,132,966
101	DISTRIBUTION PLANT	XXX	XXX	XXX	XXX	XXX
102	374 Land & Land Rights	\$4,259,776	\$103,944			\$4,363,720
103	375 Structures and Improvements	21,703,080	269,652			21,972,732
104	376 Mains	537,627,855	28,822,266	481,429		565,968,692
105	377 Compressor Station Equipment	-				-
106	378 Measuring & Regulating Station Equipment-General	28,351,449	1,074,976	19,544		29,406,881
107	379 Measuring & Regulating Station Equipment-City Gate C. St.	-				-
108	380 Services	213,608,555	11,095,129	27,111		224,676,573
109	381 Meters	29,850,135	5,196,128			35,046,263
110	382 Meter Installations	53,461,663	1,798,604	181,588		55,078,679
111	383 House Regulators	-				-
112	384 House Regulatory Installations	-				-
113	385 Industrial Measuring and Regulating Station Equipment	7,570,202	602,101	9,867		8,162,436
114	386 Other Property on Customers' Premises	77,720				77,720
115	387 Other Equipment	6,005,237	603,982	326,246		6,282,973
116	388 Distribution Equipment Held under Asset Retirement Obligation	3,275,894			(99,075)	3,176,819
117	Total Distribution Plant	\$905,791,566	\$49,566,782	\$1,045,785	(\$99,075)	\$954,213,488
118	GENERAL PLANT	XXX	XXX	XXX	XXX	XXX
119	389 Land & Land Rights	\$84,885				\$84,885
120	390 Structures and Improvements	2,311,800	2,299,368	458,919		4,152,249
121	391 Office Furniture & Equipment	13,721,360	1,736,440	5,487,214		9,970,586
122	392 Transportation Equipment	23,103,034	4,238,735	279,440		27,062,329
123	393 Stores Equipment	7,200				7,200
124	394 Tools & Garage Equipment	714,100	734	71,894		642,940
125	395 Laboratory Equipment	-				-
126	396 Power Operated Equipment	7,650,268	518,889			8,169,157
127	397 Communication Equipment	10,475,422	611,223			11,086,645
128	398 Miscellaneous Equipment	161,721				161,721
129	399 Other Tangible Property	-				-
130	Total General Plant	\$58,229,790	\$9,405,389	\$6,297,467	\$0	\$61,337,712
131	Total Plant	\$ 1,246,867,992	\$ 71,224,204	\$ 18,988,536	\$ (99,075)	\$ 1,299,004,585

**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	Balance Beginning of Year	\$462,935,826	\$462,935,826			
2	Credits During Year	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
3	Depreciation Provisions charged to:	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
4	403. Depreciation	\$27,432,833	27,432,833			
5	404. Amortization	\$9,667,158	9,667,158			
6						
7						
8						
9						
10	Total Depreciation Provisions	\$37,099,991	\$37,099,991	\$0	\$0	\$0
11	Recoveries from Insurance	\$0				
12	Salvage Realized from Retirements	87,963	87,963			
13	Other Credits (Describe)	0				
14	ARO Adjustment	\$143,331	143,331			
15						
16						
17						
18	Total Credits During Year	\$231,294	\$231,294	\$0	\$0	\$0
19	Total Credits	\$37,331,285	\$37,331,285	\$0	\$0	\$0
20	Debits During Year	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
21	Retirement of Utility Plant	\$18,988,536	\$18,988,536			
22	Cost of Removal	3,241,900	3,241,900			
23	Other Debits (Describe)	0	0			
24						
25						
26						
27						
28	Total Debits During Year	\$22,230,436	\$22,230,436	\$0	\$0	\$0
29	Balance at End of Year	\$478,036,675	\$478,036,675	\$0	\$0	\$0

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					0
2	PUC Difference (Ratemaking)					0
3	Less Contributions (Net)					0
4	Net Utility Plant Acquired					0
5	Purchase Price					0
6	Acquisition Adjustment	\$107,533,338				\$107,533,338
7						
8						

**SCHEDULE 206 - ACCUMULATED PROVISION FOR DEPRECIATION,
AMORTIZATION, AND DEPLETION OF PLANT AND ADJUSTMENTS
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.

**SCHEDULE 206 ACCUMULATED PROVISION FOR DEPRECIATION
AMORTIZATION, AND DEPLETION OF PLANT AND ADJUSTMENTS
RATES**

<u>Plant Acct. Number</u>	<u>Annual Accrual Rate Current Year</u>	<u>Plant Acct. Number</u>	<u>Annual Accrual Rate Current Year</u>
<u>Production System</u>		<u>Transmission System</u>	
32541001	1.05	36521001	1.03
32701001	2.35	36601001	0.00
32803001	1.45	36602001	1.72
32901001	2.23	36603001	0.00
33101001	2.31	36701001	1.30
33102001	2.31	36901001	2.67
33201001	1.53	36902001	2.67
33301001	2.41	36903001	2.67
33401101	17.05	37101001	2.28
33401201	5.41		
33404101	0.00	<u>Distribution System</u>	
33404201	2.58	37404001	1.34
33406101	0.87	37501001	1.51
33406201	0.12	37502001	1.71
33502001	0.00	37503201	3.30
33701001	4.81	37601001	1.36
33703001	4.81	37602001	1.36
33001001	Depl	37801001	2.01
32521001	0.00	37802001	2.01
32511001	1.46	38001001	1.84
		38003001	1.84
		38101001	3.44
<u>Storage System</u>		38201001	2.26
35011001	8.58	38203001	2.26
35021001	1.33	38501001	2.04
35102001	0.96	38502001	2.04
35103001	0.96	38503001	2.04
35104001	0.96	38601001	3.34
35201001	0.00	38701001	*
35202001	0.00		
35211001	0.00	<u>General System</u>	
35212001	0.00	38903001	0.90
35221001	2.23	39005001	1.58
35231001	0.00	39101001	*
35301001	1.34	39102001	*
35401001	3.05	39103001	*
35501001	0.00	39104001	*
35502001	0.00	39201101	24.51
35701001	0.00	39202101	8.21
		39202201	0.00
		39203101	6.76
		39205101	2.88
		39205201	0.00
		39205301	0.00

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

**SCHEDULE 206 ACCUMULATED PROVISION FOR DEPRECIATION
AMORTIZATION, AND DEPLETION OF PLANT AND ADJUSTMENTS
RATES (Continued)**

<u>Plant Acct. Number</u>	<u>Annual Accrual Rate Current Year</u>
<u>General System (Continued)</u>	
39205301	0.00
39205401	0.00
39205501	0.00
39301001	*
39401001	*
39402001	*
39403001	*
39601301	7.26
39701001	*
39702001	*
39704001	*
39705001	*
39801001	*

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

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	Projects greater than \$300,000.00:			
2	<i>Project Number</i> <i>Project Description</i>			
3	SW.PNG.AMR.ERT.2 SW.AMR.ERT - IN HOUSE	\$1,808,459	\$2,500,000	Dec-17
4	SW.PNG.CPMS.2 SW-CPMS-In House	674,548	1,250,000	Dec-17
5	55687.1.3 ST151 INST DEHY CHILLER - GIRT	439,638	950,000	Mar-17
6	55563.1.2 XS335 REVISE M&R ADD BLDG-HOLD	407,610	1,100,000	Dec-17
7	55564.1.2 XS351 INST M&R	1,258,736	1,300,000	Jun-17
8	55622.1.2 XS350 INST M&R	304,399	320,000	Jun-17
9	55686.1.1 TP7810 INST 12" STL	701,483	1,800,000	Jun-17
10	55732.1.1 P6983 INST 20" STL	1,517,366	3,500,000	Sep-17
11	55809.1.2 XS369 INST M&R EQUIP DEMARC	305,541	447,200	Jun-17
12	55765.1.2 LS3378 INST DEMARCATION	353,333	375,000	Jun-17
13	55776.1.2 MS36448 INST DEHY - UPS	1,006,423	1,100,000	May-17
14				
15				
16				
17				
18				
19	SUBTOTAL	\$ 8,777,535	\$ 14,642,200	
20				
21	Remaining Projects:			
22	Production	\$287,782	\$431,673	Jun-17
23	Storage	14,588	21,882	Jun-17
24	Transmission	1,759,995	2,608,380	Jun-17
25	Distribution	2,353,153	3,474,945	Jun-17
26	General	56,676	85,014	Jun-17
27	Intangible	823,020	1,234,530	Jun-17
28				
29				
30	TOTALS	\$ 14,072,749	\$ 22,498,624	

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 incredible 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	06/01/87		\$ 1	5,000 shares	\$ 1		
4								
5	PA Development Credit Corp	03/27/64		1	1,500 shares	1		
6								
7	Strategic Investment Fund Partners							
8	Limited Partnership - Class C Partner	05/01/02		300,000	300 units	300,000		
9	Limited Partnership - Class C Partner	05/01/03		300,000	300 units	300,000		
10	Limited Partnership - Class C Partner	05/01/04		300,000	300 units	300,000		
11	Limited Partnership - Class C Partner	05/01/05		300,000	300 units	300,000		
12	Limited Partnership - Class C Partner	05/01/06		300,000	300 units	300,000	\$ 25,913	
13								
14	Power of 32 Site Development Fund Partners, LP							
15	Limited Partnership - Class A Partner	06/14/14		300,000	300 units	300,000		
16	Limited Partnership - Class A Partner	05/11/15		263,353	263 units	263,353		
17	Limited Partnership - Class A Partner	11/17/15		487,891	487 units	487,891		
18	Limited Partnership - Class A Partner	03/15/16			595 units	595,388		
19								
20								
21								
22								
23								
24								
25								
26				\$ 2,551,246		\$ 3,146,634	\$ 25,913	

* 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	State Relocations				\$423,976	\$423,976
2	Pooling and Metering/Production and Gathering				\$1,383,202	\$1,790,530
3	Damages/Relocations				\$1,305,268	\$1,177,537
4	Employee Appliance Purchase Program				\$1,416	\$0
5	Miscellaneous				\$737,073	\$1,306,186
6						
7	Total	0	0	0	\$3,850,935	\$4,698,229

PEOPLES NATURAL GAS COMPANY LLC - TOTAL COMPANY

212. NOTES RECEIVABLE FROM ASSOCIATED COMPANIES (Account 145)

1. Furnish below the particulars indicated concerning notes receivable from associated companies at end of year.
2. If any note was received in satisfaction of an open account indebtedness, state the period covered by such open account.
3. Include in column (f) the amount of any interest revenue during the year on notes that were paid off before the end of year.
4. 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		231,729
11	Convenience payments		12,465,903
12			
13	Total Debits During Year	\$	126,305,237
14			
15	Credits During Year		
16	Cash Received	\$	(17,810,069)
17	Gas Purchased/Transported		(1,283,788)
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	Total Credits During Year	\$	(124,301,025)
31	Balance at End of Year	\$	(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	Box Curb/Valve/Parts	\$ 10,980	\$ 17,210	\$ 6,230
2	Compressor Station Parts	789,654	798,336	8,682
3	Corrosion Protection	16,542	36,795	20,253
4	Gas Measuring Equipment	72,119	117,746	45,627
5	Pipe	1,166,313	1,199,003	32,690
6	Tubing	202,622	236,557	33,935
7	Valves	130,876	139,644	8,768
8	Misc.	4,249	5,771	1,522
9	Regulators	7,512	11,805	4,293
10				
11				
12				
13				
14				
15				
16				
17	Total	\$ 2,400,867	\$ 2,562,867	\$ 162,000

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	Total	\$ 1,087,895,000	\$ 16,235,773			\$ 6,282,001	0	\$ 2,035,139	\$ 4,246,862

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	Total								\$ -

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									
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30									
31									
32									
33									
34									
35	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 End of Current Year (c)	Balance End of Previous Year (d)	Increase/ Decrease (e)
1	SALES OF GAS				
2	480.0 Residential Sales	600	\$ 185,568,878	\$ 216,063,342	\$ (30,494,464.39)
3	481.0 Commercial and Industrial Sales	600	33,603,117	43,248,250	(9,645,133)
4	482.0 Other Sales to Public Authorities	600			-
5	Sub Total Sales of Gas		219,171,995	259,311,592	(40,139,597)
6					
7					
8	REVENUES FROM TRANSPORTATION OF GAS OF OTHERS				
9	489.1 Through Gathering Facilities				-
10	489.2 Through Transmission Facilities				-
11	489.3 Through Distribution Facilities		100,190,608	103,064,319	(2,873,711)
12	489.4 Revenues from Storing Gas of Others				-
13	Sub Total Transportation Revenue		100,190,608	103,064,319	(2,873,711)
14					
15	TOTAL SALES AND TRANSPORTATION REVENUE ¹		319,362,603	362,375,912	(43,013,309)
16					
17	OTHER OPERATING REVENUES				
18	483.0 Sales for Resale	501	\$ 330,008	\$ 1,630,436	\$ (1,300,427.58)
19	484.0 Interdepartmental Sales	600			-
20	485.0 Intracompany Transfers	600			-
21	487.0 Forfeited Discounts	600	2,790,290	4,051,841	(1,261,551)
22	488.0 Miscellaneous Service Revenues	600	1,728,901	1,724,913	3,988
23	490.0 Sales of Products Extracted from Natural Gas				-
24	491.0 Revenues from Natural Gas Processed by Others				-
25	492.0 Incidental Gasoline and Oil Sales				-
26	493.0 Rent from Gas Property	600	351	39,025	(38,674)
27	494.0 Interdepartmental Rents	600			-
28	495.0 Other Gas Revenues	600	14,960,678	48,980,335	(34,019,657)
29	496.0 Provision for Rate Refunds				-
30	Sub Total Other Operating Revenues		\$ 19,810,228	\$ 56,426,550	\$ (36,616,322)
31					
32	TOTAL REVENUES		\$ 339,172,831	\$ 418,802,461	\$ (79,629,630)
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44	¹This line - Total Sales and Transportation Revenue - is to be reported in, and should				
45	match up with, Section 2 of the Revised Annual Assessment Report (Form GAO-16).				

**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	OPERATING EXPENSES				
2	401 Operation Expenses		\$ 196,329,512	\$ 276,321,201	\$ (79,991,689)
3	402 Maintenance Expenses		26,322,830	28,583,307	(2,260,477)
4	403 Depreciation Expenses		27,432,833	26,191,534	1,241,299
5	404.0 Amort. Of Intangible Plant		9,664,932	10,050,544	(385,612)
6	404.1 Amort. & Depletion of Prod. Natural Gas Land & Rights				-
7	404.2 Amort. Of Underground Storage Land & Land Rights		2,226	1,104	1,122
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	5,154,147	6,968,364	(1,814,217)
16	409.1 Income Taxes, Utility Operating Income	409	(2,405,620)	13,614,688	(16,020,308)
17	410.1 Provision for Deferred Income Taxes, Ut. Opr. Income	411	39,892,924	42,370,691	(2,477,767)
18	411.1 Prov. For Def. Income Taxes-Credit, Ut. Opr. Income	412	(14,099,790)	(50,582,778)	36,482,988
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		\$ 288,293,994	\$ 353,518,655	\$ (65,224,661)
23	OTHER OPERATING INCOME				
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	OTHER INCOME				
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				-
32	418.0 Non Operating Rental Income				-
33	418.1 Equity in Earnings of Subsidiary Companies				-
34	419.0 Interest & Dividend Income		28,841	431,394	(402,553)
35	419.1 Allowance for Other Funds Used During Construction				-
36	421.0 Miscellaneous Non Operating Income			29	(29)
37	421.1 Gain on Disposition of Property, Total Other Income				-
38	Total Other Income		\$ 28,841	\$ 431,423	\$ (402,582)
39	OTHER INCOME DEDUCTIONS				
40	421.2 Loss on Disposition of Property		\$ -	\$ -	\$ -
41	425.0 Miscellaneous Amortization				-
42	426.1 Donations		3,014,657	6,542,947	(3,528,290)
43	426.2 Life Insurance				-
44	426.3 Penalties		2	450,002	(450,000)
45	426.4 Exp. for Certain Civic, Political & Related Activities		32,165	102,435	(70,270)
46	426.5 Other Deductions				-
47	Total Other Income Deductions		\$ 3,046,824	\$ 7,095,384	\$ (4,048,560)
48	TAXES APPLICABLE TO OTHER INCOME & DED.				
49	408.2 Taxes Other Than Income Taxes, Otr. Income & Ded.		\$ 300,000.00	\$ 200,000.00	\$ 100,000
50	409.2 Income Taxes, Other Income & Deductions		21,560	(1,787,872)	1,809,432
51	410.2 Prov. for Deferred Income Taxes, Otr. Income & Ded.				-
52	411.2 Prov. for Def. Income Taxes, Credit, Otr Income & Ded.		(1,334,813)	(627,931)	(706,882)
53	411.5 Investment Tax Cr. Adjustments, Nonutility Operations				-
54	420.0 Investment Tax Credits				-
55	Total Taxes on Other Income and Deductions		\$ (1,013,253)	\$ (2,215,803)	\$ 1,202,550
56	Net Other Income and Deductions		\$ (2,004,730)	\$ (4,448,158)	\$ 2,443,428

**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	INTEREST CHARGES				
2	427 Interest on Long-Term Debt		\$ -	\$ -	\$ -
3	428 Amortization of Debt Discount and Expense		1,539,330	1,608,132	(68,802)
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		16,934,202	16,785,883	148,319
8	431 Other Interest Expense		1,725,727	1,194,355	531,372
9	432 Allowance for Borrowed Funds Used During Construction-Cr		(177,642)	(186,247)	8,605
10	Net Interest Charges		\$ 20,021,617	\$ 19,402,123	\$ 619,494
11	EXTRAORDINARY ITEMS				
12	434 Extraordinary Income		\$ -	\$ -	\$ -
13	435 Extraordinary Deductions				-
14	409.3 Income Taxes-Extraordinary Items				-
15	Net Income		\$ 28,852,490	\$ 41,433,525	\$ (12,581,035)
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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	MANUFACTURED GAS PRODUCTION EXPENSES		XXX	XXX	XXX
2	Steam Production Expenses				
3	Operation				
4	700.0 Operation Supervision and Engineering		\$ -	\$ -	\$ -
5	701.0 Operating Labor				-
6	702.0 Boiler Fuel				-
7	703.0 Miscellaneous Steam Expenses				-
8	Total Steam Production Operation Expenses		\$ -	\$ -	\$ -
9	Maintenance				
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				-
	Total Steam Production Maintenance Expenses		\$ -	\$ -	\$ -
15	Manufactured Gas Production				
16	710.0 Operation Supervision and Engineering		\$ -	\$ -	\$ -
17	Production Labor and Expenses				
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				-
	Total Production Labor and Expenses		\$ -	\$ -	\$ -
26	Gas Fuels				
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				-
	Total Gas Fuels Expenses		\$ -	\$ -	\$ -
33	Gas Raw Materials				
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				-
	Total Gas Raw Materials Expenses		\$ -	\$ -	\$ -
46	Maintenance				
47	740.0 Maintenance Supervision and Engineering		\$ -	\$ -	\$ -
48	741.0 Maintenance of Structures and Improvements				-
49	742.0 Maintenance of Production Equipment				-
	Total Maintenance Expenses		\$ -	\$ -	\$ -
	Total Manufactured Gas Production Expenses		\$ -	\$ -	\$ -
50	NATURAL GAS PRODUCTION EXPENSES		XXX	XXX	XXX
51	Production and Gathering				
52	Operation				
53	750.0 Operating Supervision and Engineering		\$ -	\$ -	\$ -
53	751.0 Production Maps and Records		5,012	14,151	(9,139)
54	752.0 Gas Wells Expenses		28	70	(42)

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		244,723	314,573	(69,850)
2	754.0 Field Compressor Station Expenses		1,352,717	1,706,099	(353,382)
3	755.0 Field Compressor Station Fuel and Power		1,622,146	1,833,512	(211,366)
4	756.0 Field Measuring and Regulating Station Expenses		22,431	37,120	(14,689)
5	757.0 Purification Expenses				-
6	758.0 Gas Well Royalties				-
7	759.0 Other Expenses		38,483	154,518	(116,035)
8	760.0 Rents		13,262	13,246	16
	Total Production & Gathering Operation Expenses		\$ 3,298,802	\$ 4,073,289	\$ (774,487)
9	Maintenance				
10	761.0 Maintenance Supervision and Engineering		\$ -	\$ -	\$ -
11	762.0 Maintenance of Structures and Improvements			32	\$ (32)
12	763.0 Maintenance of Producing Gas Wells		7,592	2,256	5,336
13	764.0 Maintenance of Field Lines		336,288	783,031	(446,743)
14	765.0 Maintenance of Field Compressor Station Equipment		1,203,549	1,106,017	97,532
15	766.0 Maintenance of Field Measuring and Reg. Station Equip.		107,735	135,664	(27,929)
16	767.0 Maintenance of Purification Equipment				-
17	768.0 Maintenance of Drilling and Cleaning Equipment				-
18	769.0 Maintenance of Other Equipment				-
	Total Production & Gathering Maintenance Expenses		\$ 1,655,164	\$ 2,027,000	\$ (371,836)
19	Products Extraction				
20	Operation				
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				-
	Total Products Extraction Operation Expenses		\$ -	\$ -	\$ -
35	Maintenance				
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				-
	Total Products Extraction Maintenance Expenses		\$ -	\$ -	\$ -
	Total Natural Gas Production Expenses		\$ 4,953,966	\$ 6,100,289	\$ (1,146,323)
44	EXPLORATION AND DEVELOPMENT EXPENSES		XXX	XXX	XXX
45	Operation				
46	795.0 Delay Rentals		\$ -	\$ -	\$ -
47	796.0 Nonproductive Well Drilling				-
48	797.0 Abandoned Leases				-
49	798.0 Other Exploration				-
	Total Exploration and Development Operation Exp.		\$ -	\$ -	\$ -
50	OTHER GAS SUPPLY EXPENSES		XXX	XXX	XXX
51	Operation				
52	800.0 Natural Gas Well Head Purchases		\$ -	\$ -	\$ -
53	800.1 Natural Gas Well Head Purchases - Segment Gas Costs		(90,315,290)	(20,968,939)	(69,346,351)
54	801.0 Natural Gas Well Head Purchases, Intercompany Trans.		15,030,579	14,836,065	194,514
55	802.0 Natural Gas Gasoline Plant Outlet Purchases		-	-	-
56	803.0 Natural Gas Transmission Line Purchases		115,979,433	92,993,402	22,986,031
57	804.0 Natural Gas City Gate Purchases		1,911,428	793,502	1,117,926

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		(18,565,881)	37,145,544	\$ (55,711,425)
4	806.0 Exchange Gas		(214,893)	1,005,753	(1,220,646)
5	807.0 Purchased Gas Expenses		-		-
6	808.1 Gas Withdrawn from Storage-Debit		7,883,659	12,116,457	(4,232,798)
7	808.2 Gas Delivered to Storage-Credit		(9,218,790)	(10,188,644)	969,854
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		(1,730,298)	(1,952,833)	222,535
11	811.0 Gas Used for Products Extraction-Credit		-		-
12	812.0 Gas Used for Other Utility Operations-Credit		(284,094)	(305,658)	21,564
13	813.0 Other Gas Supply Expenses		664,544	497,075	167,469
	Total Gas Supply Operation Expenses		\$ 21,140,397	\$ 125,971,724	\$ (104,831,327)
14	Natural Gas Storage, Terminating & Processing Exp.				
15	Underground Storage Expenses				
16	814.0 Operation Supervision and Engineering		\$ -	\$ -	\$ -
17	815.0 Maps and Records		-		-
18	816.0 Wells Expenses		8,476	7,250	\$ 1,226
19	817.0 Lines Expenses		-	11,255	(11,255)
20	818.0 Compressor Station Expenses		631,031	412,808	218,223
21	819.0 Compressor Station Fuel and Power		108,153	119,321	(11,168)
22	820.0 Measuring and Regulating Station Expenses		(306)	258,368	(258,674)
23	821.0 Purification Expenses		-		-
24	822.0 Exploration and Development		-		-
25	823.0 Gas Losses		99,758	168,916	(69,158)
26	824.0 Other Expenses		(2,289)	31,680	(33,969)
27	825.0 Storage Well Royalties		7,595	6,752	843
28	826.0 Rents		-		-
	Total Underground Storage Expenses		\$ 852,418	\$ 1,016,350	\$ (163,932)
29	Maintenance				
30	830.0 Maintenance Supervision and Engineering		\$ -	\$ -	\$ -
31	831.0 Maintenance of Structures and Improvements				-
32	832.0 Maintenance of Reservoirs and Wells		2,546	6,547	\$ (4,001)
33	833.0 Maintenance of Lines		3,532	14,281	(10,749)
34	834.0 Maintenance of Compressor Station Equipment		243,536	191,273	52,263
35	835.0 Maintenance of Measuring & Regulating Station Equip.		-	93,071	(93,071)
36	836.0 Maintenance of Purification Equipment		-		-
37	837.0 Maintenance of Other Equipment		-		-
	Total Maintenance Expenses		\$ 249,614	\$ 305,172	\$ (55,558)
38	Other Storage Expenses				
39	Operation				
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				-
	Total Operation Expenses		\$ -	\$ -	\$ -
46	Maintenance				
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				-
	Total Maintenance Expenses		\$ -	\$ -	\$ -

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	LIQUEFIED NATURAL GAS TERMINATING AND				
3	PROCESSING EXPENSES		XXX	XXX	XXX
4	Operation				
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				-
	Total Liq. N.G. Term & Proc. Operation Expenses		\$ -	\$ -	\$ -
21	Maintenance				
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				-
	Total Liq. N.G. Term. Proc. Maintenance Expenses		\$ -	\$ -	\$ -
30	TRANSMISSION EXPENSES		XXX	XXX	XXX
31	Operation				
32	850.0 Operating Supervision and Engineering		\$ 43,264	\$ 129,211	\$ (85,947)
33	851.0 System Control and Load Dispatching		-		-
34	852.0 Communication System Expenses		-		-
35	853.0 Compressor Station Labor and Expenses		-	1,156	(1,156)
36	854.0 Gas for Compressor Station Fuel		-		-
37	855.0 Other Fuel and Power for Compressor Stations		-		-
38	856.0 Mains Expenses		178,532	546,505	(367,973)
39	857.0 Measuring and Regulating Station Expenses		25,138	24,166	972
40	858.0 Transmission and Compression of gas by Others		89,740,976	54,010,762	35,730,214
41	859.0 Other Expenses		-		-
42	860.0 Rents		27,876	27,463	413
	Total Transmission Operation Expenses		\$ 90,015,786	\$ 54,739,263	\$ 35,276,523
43	Maintenance				
44	861.0 Maintenance Supervision and Engineering				
45	862.0 Maintenance of Structures and Improvements		\$ -	\$ -	\$ -
46	863.0 Maintenance of Mains		175,295	452,395	(277,100)
47	864.0 Maintenance of Compressor Station Equipment		412	9,550	(9,138)
48	865.0 Maintenance of Measuring and Regulating Station Equip.		870,361	770,002	100,359
49	866.0 Maintenance of Communication Equipment		90,388	28,463	61,925
50	867.0 Maintenance of Other Equipment				-
51					
	Total Transmission Maintenance Expenses		\$ 1,136,456	\$ 1,260,410	\$ (123,954)
52	DISTRIBUTION EXPENSES		XXX	XXX	XXX
53	Operation				
54	870.0 Operation Supervision and Engineering		\$ (49,860)	\$ 59,265	\$ (109,125)
55	871.0 Distribution Load Dispatching		2,416	1,676	740
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		9,083,325	8,253,153	830,172
59	875.0 Measuring and Regulating Station Expenses-General		1,782,575	1,953,197	(170,622)

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		163,719	85,716	78,003
3	878.0 Meter and House Regulator Expenses		2,603,871	3,605,513	(1,001,642)
4	879.0 Customer Installations Expenses		2,314,447	1,896,392	418,055
5	880.0 Other Expenses		1,353,227	3,400,859	(2,047,632)
6	881.0 Rents		72,548	70,236	2,312
7	Total Distribution Operation Expenses		\$ 17,326,268	\$ 19,326,007	\$ (1,999,739)
7	Maintenance				
8	885.0 Maintenance Supervision and Engineering		\$ -	\$ -	\$ -
9	886.0 Maintenance of Structures and Improvements		2,628,147	2,422,614	205,533
10	887.0 Maintenance of Mains		17,875,372	16,597,830	1,277,542
11	888.0 Maintenance of Compressor Station Equipment		129,844	177,389	(47,545)
12	889.0 Maintenance of Measuring & Reg. Station Equip.-Genl.		1,078,215	1,067,679	10,536
13	890.0 Maintenance of Measuring & Reg. Station Equip.-Indtrl.		2,417	1,676	741
14	891.0 Maintenance of Measuring & Reg. Station Equip.-City G		-	-	-
15	892.0 Maintenance of Services		800,851	4,014,457	(3,213,606)
16	893.0 Maintenance of Meters & House Regulators		296,319	84,178	212,141
17	894.0 Maintenance of Other Equipment		438,492	483,516	(45,024)
	Total Maintenance Expenses		\$ 23,249,657	\$ 24,849,339	\$ (1,599,682)
18	CUSTOMER ACCOUNTS EXPENSES		XXX	XXX	XXX
19	Operations				
20	901.0 Supervision		\$ -	\$ 121,113	\$ (121,113)
21	902.0 Meter Reading Expenses		4,048,286	3,530,745	517,541
22	903.0 Customer Records & Collection Expenses		8,293,481	9,617,786	(1,324,305)
23	904.0 Uncollectable Accounts		8,931,235	11,381,774	(2,450,539)
24	905.0 Miscellaneous Customer Accounts Expenses		-	-	-
	Total Customer Account Operations Expenses		\$ 21,273,002	\$ 24,651,418	\$ (3,378,416)
25	CUSTOMER SERVICE & INFORM. EXPENSES		XXX	XXX	XXX
26	Operations				
27	907.0 Supervision		\$ 198,692	\$ 383,307	\$ (184,615)
28	908.0 Customer Assistance Expenses		4,401,857	(1,326,068)	5,727,925
29	909.0 Informational & Instructional Advertising Expenses		333,061	758,239	(425,178)
30	910.0 Miscellaneous Customer Service & Informational Exp.		2,127	43,649	(41,522)
	Total Cust. Service & Inform. Operations Expenses		\$ 4,935,737	\$ (140,873)	\$ 5,076,610
31	SALES EXPENSES		XXX	XXX	XXX
32	Operation				
33	911.0 Supervision		\$ -	\$ -	\$ -
34	912.0 Demonstrating and Selling Expenses		1,504,763	\$ 1,130,690	\$ 374,073
35	913.0 Advertising Expenses		-	169,470	(169,470)
36	914.0 (Reserved)		-	-	-
37	915.0 (Reserved)		-	-	-
38	916.0 Miscellaneous Sales Expenses		-	-	-
	Total Operation Sales Expenses		\$ 1,504,763	\$ 1,300,160	\$ 204,603
39	ADMINISTRATIVE AND GENERAL EXPENSES		XXX	XXX	XXX
40	Operation				
41	920.0 Administrative and General Salaries		\$ 11,793,099	\$ 17,934,691	\$ (6,141,592)
42	921.0 Office Supplies and Expenses		6,714,236	6,699,844	14,392
43	922.0 Administrative Expenses Transferred-Credit		(10,787,309)	(12,870,891)	2,083,582
44	923.0 Outside Service Employed		10,593,454	10,957,684	(364,230)
45	924.0 Property Insurance		151,411	151,137	274
46	925.0 Injuries and Damages		5,580,418	4,464,623	1,115,795
47	926.0 Employee Pensions and Benefits		7,203,933	13,633,022	(6,429,089)
48	927.0 Franchise Requirements		-	-	-
49	928.0 Regulatory Commission Expenses		31,993	31,607	386
50	929.0 Duplicate Charges-Credit		-	-	-
51	930.1 General Advertising Expenses		2,214,596	2,339,545	(124,949)
52	930.2 Miscellaneous General Expenses		817,511	892,700	(75,189)
53	931.0 Rents		1,668,997	1,149,901	519,096
54	Total Administrative and General Operation Expenses		\$ 35,982,339	\$ 45,383,863	\$ (9,401,524)
54	Maintenance				
55	932.0 Maintenance of General Plant		\$ 31,939	\$ 141,386	\$ (109,447)
56	Total Administrative and General Maintenance Expenses		\$ 31,939	\$ 141,386	\$ (109,447)
57					
58	Total Gas Operation and Maintenance Expenses		\$ 222,652,342	\$ 304,904,508	\$ (82,252,166)
59					
60	Total Gas Operation Expenses		\$ 196,329,512	\$ 276,321,201	\$ (79,991,689)
61	Total Maintenance Expenses		\$ 26,322,830	\$ 28,583,307	\$ (2,260,477)

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		\$ (1,380,152)	\$ 1,380,152
5	Local Property Taxes		(23,468)	23,468
6	Public Utility Realty Tax		(556,981)	556,981
7	State Capital Stock Tax		3,463	(3,463)
8	Other Taxes (specify) Payroll Tax		(2,373,027)	2,373,027
9	Use Tax		(812,327)	812,327
10	Miscellaneous Tax		(11,655)	11,655
11	TOTAL	\$ -	\$ (5,154,147)	\$ 5,154,147

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 Utility Operating Income.

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			\$ 3,953,228	\$ (3,953,228)
2	State Income Taxes			(1,547,608)	1,547,608
3	Local Income Taxes				
4					
5					
6					
7					
8	Other Taxes (specify)				
9					
10					
11	TOTAL	\$ -	\$ -	\$ 2,405,620	\$ (2,405,620)

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	339,172,831	339,172,831		
2	Operating Expenses	259,752,333	259,752,333		
3	Operating Taxes (Non-Income)	5,154,147	5,154,147		
4	Interest & Other Expense	20,021,617	20,021,617		
5	Pre-Tax Operating Income				
	Total Line 1 Minus Lines 2-3-4	54,244,734	54,244,734	-	-
6	Other Income (Expense)	(3,317,983)	(3,317,983)		
7	Pre Tax Book Income				
	Total Lines 5+6	50,926,751	50,926,751	-	-
8	Permanent and Flow-Through Differ.	728,386	728,386		
9	Temporary Differences	(45,835,015)	(45,835,015)		
10	State Only Differences - Bonus	(1,732,890)	(1,732,890)		
11	Subtotal	4,087,232	4,087,232	-	-
12	State Tax at Current Rate	1,151,554	408,315		743,239
13	Adjustments to State Tax	1,144,484	1,144,484		
14	Adjustments for St. Tax Rate Changes		-		
15	State Tax Accrual				
	Total Lines 12+13+14	2,296,038	1,552,799	-	743,239
16	Federal Taxable Income				
	Total Line 11 Minus Lines 10-12-13	3,524,084	4,267,323	-	(743,239)
17	Federal Tax at Current Rate	25,208,645	1,493,563	10,755,649	12,959,433
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	(5,430,422)	(5,430,422)		
24	Federal Tax Accrual				
	Total Lines 17 through 23	19,778,223	(3,936,859)	10,755,649	12,959,433

**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. 165-Prepayments; Account No. 190-Accumulated Deferred Income Taxes & Account No. 236-Accrued Taxes, Utility Operating Income.

Line No.	DEBITS Type of Tax (a)	Account 165 Prepayments (b)	Account 190 Accumulated Deferred Income Taxes (c)	Account 236 Accrued Taxes (d)	Account 410.1 Provision for Deferred Income Taxes (e)
1	Federal	\$ -	\$ (22,525,782)	\$ (15,741,643)	\$ 38,267,425
2	State			(1,625,499)	1,625,499
3	Other				
4					
5					
6					
7	Total	\$ -	\$ (22,525,782)	\$ (17,367,142)	\$ 39,892,924

**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. 165-Prepayments; Account No. 190-Accumulated Deferred Income Taxes & Account No. 236-Accrued Taxes.

Line No.	DEBITS Type of Tax (a)	Account 165 Prepayments (b)	Account 190 Accumulated Deferred Income Taxes (c)	Account 236 Accrued Taxes (d)	Account 411.1 Provision for Deferred Income Taxes (e)
1	Federal	\$ -	\$ 11,770,133	\$ 1,768,767	\$ (13,538,900)
2	State			560,890	(560,890)
3	Other				
4					
5					
6					
7	Total	\$ -	\$ 11,770,133	\$ 2,329,657	\$ (14,099,790)

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

- Report below the information called for concerning gas purchased for resale during year.
- 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.
- The quantities reported should be those shown by the bills rendered by the vendor. Indicate MCF, CCF or Therms
- 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 CCF or Therms (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		Washington, Clarion, Erie, Potter						
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 activity for on-system and off-system purchases.

501. SALES FOR RESALE

- Report below the information called for concerning gas sold during year to other gas utilities or to public authorities for resale.
- The quantities shown should be those shown by the bills rendered to the purchasers. Indicate MCF, CCF or Therms.
- 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)
- 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	Agway Energy Services LLC	Imbalance Sales	1,043	1,943	\$ 3,369		\$ 3,369	\$ 1.73
2	American Power & Gas of PA	Imbalance Sales	1,043	1,892	\$ 3,310		\$ 3,310	\$ 1.75
3	ARM Energy Management LLC	Imbalance Sales	1,043	249	\$ 671		\$ 671	\$ 2.69
4	Constellation New Energy-Gas Division	Imbalance Sales	1,043	5,707	\$ 9,594		\$ 9,594	\$ 1.68
5	Direct Energy BS. Mktg. LLC	Imbalance Sales	1,043	43,798	\$ 62,066		\$ 62,066	\$ 1.42
6	Dominion Energy Solutions	Imbalance Sales	1,043	7,129	\$ 10,782		\$ 10,782	\$ 1.51
7	Guttman Energy, Inc.	Imbalance Sales	1,043	4,390	\$ 5,873		\$ 5,873	\$ 1.34
8	Interstate Gas Supply, Inc.	Imbalance Sales	1,043	65	\$ 120		\$ 120	\$ 1.84
9	Independence Energy Group LLC	Imbalance Sales	1,043	175	\$ 245		\$ 245	\$ 1.40
10	Interstate Gas Marketing, Inc.	Imbalance Sales	1,043	297	\$ 459		\$ 459	\$ 1.55
11	North American Power & Gas, LLC	Imbalance Sales	1,043	1,358	\$ 2,301		\$ 2,301	\$ 1.69
12	Oasis Power LLC dba OASIS Energy	Imbalance Sales	1,043	137	\$ 140		\$ 140	\$ 1.02
13	PALMco Energy PA LLC	Imbalance Sales	1,043	149	\$ 266		\$ 266	\$ 1.79
14	SFE Energy Pennsylvania Inc.	Imbalance Sales	1,043	5,919	\$ 10,447		\$ 10,447	\$ 1.76
15	Sprague Operating Resources LLC	Imbalance Sales	1,043	419	\$ 581		\$ 581	\$ 1.39
16	Stand Energy Corporation	Imbalance Sales	1,043	191	\$ 431		\$ 431	\$ 2.26
17	Twin Valley Greenhouse	Imbalance Sales	1,043	81	\$ 174		\$ 174	\$ 2.15
18	UGI Energy Services, Inc.	Imbalance Sales	1,043	106,194	\$ 148,420		\$ 148,420	\$ 1.40
19	U.S. Gas and Electric, Inc.	Imbalance Sales	1,043	1,366	\$ 2,442		\$ 2,442	\$ 1.79
20	Volunteer Energy Services, Inc.	Imbalance Sales	1,043	10,684	\$ 18,451		\$ 18,451	\$ 1.73
21	Xoom Energy Pennsylvania, LLC	Imbalance Sales	1,043	92	\$ 169		\$ 169	\$ 1.83
22	American Power & Gas of PA	Gas Sale In Place	1,043	3,249	\$ 5,392		\$ 5,392	\$ 1.66
23	North American Power & Gas, LLC	Gas Sale In Place	1,043	1,447	\$ 2,544		\$ 2,544	\$ 1.76
24	Oasis Power LLC dba OASIS Energy	Gas Sale In Place	1,043	240	\$ 423		\$ 423	\$ 1.76
25	PALMco Energy PA LLC	Gas Sale In Place	1,043	383	\$ 674		\$ 674	\$ 1.76
26	U.S. Gain a Division of U.S. Venture, Inc.	Sales for Resale NGPV	1,043	7,473	\$ 40,665		\$ 40,665	\$ 5.44
Totals				205,027	\$ 330,008		\$ 330,008	

*Column (c) represents a twelve-month weighted average.

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	GAS RECEIVED	
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	GAS DELIVERED	
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		
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	0
29	Other Deliveries: Off-system	2,666,598
30	Total Deliveries	118,625,697
31	UNACCOUNTED FOR	
32	Production System Losses - Gathering	1,492,791
33	Storage Losses	60,000
34	Transmission System Losses	0
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	
		All Volumes @ 14.73 PSIA							All Volumes @ 14.73 PSIA				
		Total On System (b)	Murrysville (c)	Colvin ** (d)	Total Off System (e)	Equitrans *** (f)	Dominion (g)	National Fuel (h)	Total PNG Storage (i)	Total Off System (j)	Equitrans (k)		Dominion (l)
Storage Operations	MCF	MCF	MCF	MCF	MCF	MCF	MCF	MCF	MCF	MCF	MCF	MCF	
2	Gas Delivered to Storage												
1	January	26,954	26,954	0	0	0	0	26,954	0	0	0	26,954	
2	February	37,127	37,127	0	0	0	0	37,127	0	0	0	37,127	
3	March	32,761	32,761	0	0	0	0	32,761	0	0	0	32,761	
4	April	25,930	25,930	0	327,570	211,496	92,913	23,161	353,500	1,059,795	838,901	220,894	1,413,295
5	May	20,255	20,255	0	11,865	(98,267)	95,554	14,578	32,120	2,181,366	1,922,367	258,999	2,213,486
6	June	248,976	248,976	0	855,152	579,396	180,242	95,514	1,104,128	1,783,229	1,514,424	268,805	2,887,357
7	July	291,169	291,169	0	653,120	327,453	205,991	119,676	944,289	1,846,651	1,545,527	301,125	2,790,940
8	August	298,416	298,416	0	487,752	237,071	134,192	116,489	786,168	2,143,271	1,811,991	331,280	2,929,439
9	September	174,764	174,764	0	1,446,066	1,032,444	288,757	124,865	1,620,830	1,965,218	1,715,764	249,454	3,586,048
10	October	156,040	156,040	0	562,219	342,629	120,597	98,993	718,259	1,462,355	1,185,594	276,761	2,180,614
11	November	125,998	125,998	0	3,704	0	0	3,704	129,702	0	0	0	129,702
12	December	75,922	75,922	0	0	0	0	0	75,922	0	0	0	75,922
13	Totals	1,514,312	1,514,312	0	4,347,448	2,632,222	1,118,246	596,980	5,861,760	12,441,885	10,534,569	1,907,316	18,303,645
14	Gas Withdrawn From Storage												
15	January	259,886	259,886	0	1,732,695	1,405,514	135,319	191,862	1,992,581	1,923,479	1,211,925	711,554	3,916,060
16	February	172,203	172,203	0	898,709	302,207	436,606	159,896	1,070,912	2,705,205	2,279,733	425,472	3,776,117
17	March	84,682	84,682	0	(5,117)	(303,653)	191,109	107,427	79,565	1,884,275	1,720,307	163,968	1,963,840
18	April	402,712	402,712	0	0	0	0	0	402,712	0	0	0	402,712
19	May	214,281	214,281	0	0	0	0	0	214,281	0	0	0	214,281
20	June	23,940	23,940	0	0	0	0	0	23,940	0	0	0	23,940
21	July	5,174	5,174	0	0	0	0	0	5,174	0	0	0	5,174
22	August	5,037	5,037	0	0	0	0	0	5,037	0	0	0	5,037
23	September	5,186	5,186	0	0	0	0	0	5,186	0	0	0	5,186
24	October	85,294	85,294	0	0	0	0	0	85,294	0	0	0	85,294
25	November	40,107	40,107	0	125,161	(26,740)	151,901	0	165,268	1,568,350	1,296,538	271,812	1,733,618
26	December	152,763	152,763	0	810,105	364,985	274,797	170,323	962,868	3,309,791	2,784,615	525,176	4,272,659
27	Totals	1,451,265	1,451,265	0	3,561,553	1,742,313	1,189,732	629,508	5,012,818	11,391,100	9,293,118	2,097,982	16,403,918
28	Stored Gas End of Year-MCF	3,269,063	3,033,686	235,377	5,584,574	4,298,666	781,645	504,263	8,853,637	8,595,235	7,181,698	1,413,538	17,448,872
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)	3,352,703	3,117,326	235,377	5,584,574	4,298,666	781,645	504,263	8,937,277	8,595,235	7,181,698	1,413,538	17,532,512
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

511. MANUFACTURED GAS PRODUCTION PLANT

- 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 _____
- 0

None

512. LIQUEFIED PETROLEUM GAS OPERATIONS

- 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	GAS WELLS
2	Productive Wells at Beginning of Year 1
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 0
7	Wells Sold During the Year
8	
9	Productive Wells at End of Year 1
10	Number of Wells Drilled Deeper During the Year
11	Dry Holes Drilled During the Year
12	
13	NATURAL GAS ACREAGE
	Operative Non Operative
14	Number of Acres Owned at End of Year 3 1
15	Number of Acres Leased at End of Year 4,469 1,962
16	
17	OIL WELLS
18	Productive Wells at Beginning of Year
19	Productive Wells Drilled During the Year
20	Wells Abandoned and Sold During the Year
21	
22	Productive Wells at End of Year

516. GAS LINES, METERS AND SERVICES						
Size of Pipe Inches	Field Lines M. Ft.	Prod. Ext. Lines M. Ft.	Storage Lines M. Ft.	Distr. Mains M. Ft.	Transmission M. Ft.	
28	2"	1,147		11	7,138	82
29	3"	929		17	6,187	96
30	4"	931		5	11,040	317
31	5"	109		2	570	52
32	6"	966		16	5,848	808
33	7"	15		0	41	18
34	8"	916		3	2,567	1,067
35	9"	0		0	3	1
36	10"	170		0	627	595
37	11"	19		0	0	4
38	12"	198		6	572	1,090
39	13"	0		0	0	0
40	14"	0		0	57	201
41	16"	12		0	132	0
42	18"	0		0	0	62
43	19"	0		0	1	0
44	20"	7		0	92	154
45	24"	0		0	15	0
46	30"	0		0	0	0
47						
48		5,420		61	34,890	4,547

Meters in Service at End of Year 378,320

Services at end of year, company owned 356,371

Meters in Stock or Shop at End of Year 5913

Services at End of Year, Customer Owned None

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	In residential use					0
2						0
3						0
4						0
5						0
6						0
7						0
8						0
9						0
10	Total in residential use		0	0	0	0
11	In commercial use					0
12						0
13						0
14						0
15						0
16						0
17						0
18						0
19						0
20	Total in commercial use		0	0	0	0
21	In industrial use					0
22						0
23						0
24						0
25						0
26						0
27						0
28						0
29						0
30	Total in industrial use		0	0	0	0
31	In public (municipal or government) use					0
32						0
33						0
34						0
35						0
36						0
37						0
38						0
39						0
40	Total in public (municipal or government) use		0	0	0	0
41	Total in use		377,084	9,423	8,187	378,320
42	In Stock		6,270	7,830	8,187	5,913
43						0
44						0
45						0
46						0
47						0
48						0
49						0
50	Total in stock		6,270	7,830	8,187	5,913
51	Total all meters		383,354	17,253	16,374	384,233

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 pages 42(a) - Cust Meters - Test Data and (b) - 517 Cust Meters Sampling

Peoples Natural Gas 2016 Meter Test and Replacement Plan

CLASS "A" METER PROGRAM - STATISTICAL SAMPLING

MANUFACTURER	INSTALLED POPULATION	REQUIRED REMOVALS	TOTAL TESTED	FAILURE RATE
AMERICAN	199,572	315	4710	7.30%
ROCKWELL	120,049	200	2472	11.20%
SPRAGUE	7,145	80	164	4.80%
LANCASTER	17,887	125	579	13.10%
ACTARIS	354	13	5	0.00%
All 400 Class	5,643	80	173	9.80%

CLASS "B" METER PROGRAM - STATISTICAL SAMPLING

MANUFACTURER	INSTALLED POPULATION	REQUIRED REMOVALS	TOTAL TESTED	FAILURE RATE
AMERICAN				
ROCKWELL				
SPRAGUE				
Combined Population Total	2,949	50	71	8.40%

METER REMOVAL PROGRESS

MANUFACTURER	INSTALLED POPULATION	REQUIRED REMOVALS	TOTAL TESTED	FAILURE RATE
IDENTIFIED 2007	9,676	9,676	6	
IDENTIFIED 2009	3,160	1,053	2	
IDENTIFIED 2010	468	117	0	

2016 Sampling Plan

7 Meter Families Family Breakdown By Manufacturer 250 All Manufacturer 400 All B Meters PNG			Condemned Meters		
	Population	Change		Population	Changed in 2016
American 250	199,572	315	Family 507	27	6
Rockwell 250	120,049	200	Family 509	38	3
Sprague 250	7,145	80	B Meters - Family 510	6	0
Lancaster 250	17,887	125			
Actaris	354	13			
All Manufacturer 400	5,643	80			
B Meters	2,949	50			
Total Sampling Changes		863	Total Condemned Changes		9
Total Sampling Meter Population - 349 353,599			Total Sampling & Condemned		872

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/CCF Therms (e)	Total Operating Revenue (f)	MCF/CCF Therm Per Customer (g)	Per Customer (h)	Per Unit (i)
2	Metered Sales by Tariff Schedule								
3	Residential								
4	Heating	245,625	250,469	247,680	20,740,029	\$ 180,261,285	83	\$ 719.69	\$ 8.69
5	Non-Heating	1,897	1,699	1,757	34,538	533,403	20	\$ 313.95	\$ 15.44
6	Unbilled				558,330	4,774,190			
7									
8	Transportation								
9	Billed	86,135	83,155	83,896	7,343,166	51,633,659	88	\$ 620.93	\$ 7.03
10	Unbilled								
11									
12									
13	Total Residential Metered Sales	333,657	335,323	333,333	28,676,063	\$ 237,202,537	86	\$ 707.39	\$ 8.27
14	Commercial								
15	Heating	18,492	18,486	18,464	5,029,833	\$ 31,580,125	272	\$ 1,708.33	\$ 6.28
16	Non-Heating	663	513	578	119,015	773,661	232	\$ 1,508.11	\$ 6.50
17	Unbilled				114,416	785,489			
18									
19	Transportation								
20	Billed	8,315	8,657	8,425	10,846,940	\$ 31,391,608	1,253	\$ 3,626.15	\$ 2.89
21	Unbilled				174,307	469,461			3
22									
23									
24	Total Commercial Metered Sales	27,470	27,656	27,467	16,284,511	\$ 65,000,344	589	\$ 2,350.32	\$ 3.99
25	Industrial								
26	Retail - Billed	30	37	35	97,102	\$ 463,843	2,624	\$ 12,536.29	\$ 4.78
27									
28	Transportation- Billed	170	218	192	18,009,488	16,681,458	82,612	\$ 76,520.45	\$ 0.93
29									
30									
31									
32	Total Industrial Metered Sales	200	255	227	18,106,590	\$ 17,145,301			
33	Public								
34	Off System Transportation				306,860	14,422			
35	Other- Sales for Resale	4	12	7	205,027	\$ 330,008			
36	Total Metered Sales	361,331	363,246	361,034	63,579,051	\$ 319,692,611			
37									
38	Unmetered Sales-All Categories								
39	Other								
40	Total Unmetered Sales	0	0	0	0	0			
41	Total Sales of Gas	361,331	363,246	361,034	63,579,051	\$ 319,692,611			
42									
43	Other Gas Revenues:								
44	Rent from Gas Property					351			
45	Interdepartmental Rents								
46	Operating Revenue Other Than Gas Sales					14,960,678			
47	Allowance to Customers								
48	Gas Storage Revenues								
49	Customers Forfeited Discounts & Penalties					2,790,290			
50	Miscellaneous Gas Revenues					1,728,901			
51	Total Other Gas Revenues	-	-	-	-	\$ 19,480,220			
52	Total Gas Operating Revenues	361,331	363,246	361,034	63,579,051	\$ 339,172,831			

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	
8	All Other Employees Not Elsewhere Classified	
9	Total All Employees	863

*Includes Union Employees

Peoples Division	361
Equitable Division	155

610. Territory Served				
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		Adams		
02	X	Allegheny	149,955	148,390
03	X	Armstrong	12,313	12,306
04	X	Beaver	18,615	18,565
05		Bedford		
06		Berks		
07	X	Blair	33,062	32,986
08		Bradford		
09		Bucks		
10	X	Butler	14,522	14,309
11	X	Cambria	28,257	28,280
12		Cameron		
13		Carbon		
14		Centre		
15		Chester		
16	X	Clarion	53	53
17		Clearfield		
18		Clinton		
19		Columbia		
20		Crawford		
21		Cumberland		
22		Dauphin		
23		Delaware		
24		Elk		
25		Erie		
26	X	Fayette	3,210	3,219
27		Forest		
28		Franklin		
29		Fulton		
30	X	Greene	524	522
31		Huntingdon		
32	X	Indiana	12,638	12,618
33		Jefferson		
34		Juniata		
35		Lackawanna		
36		Lancaster		
37	X	Lawrence	4,330	4,315
38		Lebanon		
39		Lehigh		
40		Luzerne		
41		Lycoming		
42		McKean		
43	X	Mercer	4,952	4,933
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	X	Somerset	1,647	1,643
57		Sullivan		
58		Susquehanna		
59		Tioga		
60		Union		
61	X	Venango	87	87
62		Warren		
63	X	Washington	5,697	5,606
64		Wayne		
65	X	Westmoreland	73,372	73,195
66		Wyoming		
67		York		
Totals			363,234	361,027
Total Population of Territory Served (Estimated)			3.5 Million	

*Note: Simple average of the number of customers at the beginning of the year and end of year.

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)

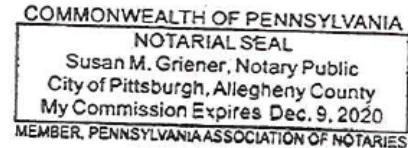
of Peoples Natural Gas Company LLC (Exact legal title or name of the respondent)

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.



(Signature of affiant)

Subscribed and sworn to and before me, a Notary Public

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

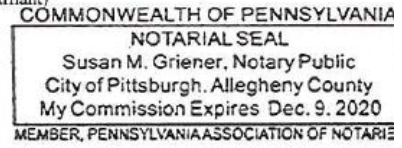
that he has carefully examined the foregoing report; that he believes that all statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above named respondent during the period of time from and including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

(Signature of affiant)

Subscribed and sworn to before me, a Notary Public

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)



Data

COMPANY	YEAREN	PLT_SVC	GAS_PLT	DEPR_AMORT	CWIP	PLT_AQ_ADJ	PLT_HLD	MAT_SUPP	DEP_AM
PEOPLES NA	2016	#####	#####	(558,849,950)	#####	284,894,602	0	3,092,138	#####
*This sheet is for PUC use only.									

Data

NET_BOOK	CIAC	PLAT_MTLS_OPR_SUPP	OP_REV	OP-EXP	MAIN_EX	DEP_EXP	AMORT_LTD_GAS_PLT
1,563,063,569	0	3092138	#####	#####	26322830	27432833	0

Data

AMORT_OTR_GAS_PLT	AMORT_PL_AQ	TAXES_OTR_THAN_INC	INC_TAXES_OPR_INC	TTL_TAXES	TTL_OP_EXP
0	0	5154147	-2405620	28541661	288293994

Data

OP_INCOME	OTHER_INC	OTH_DED	NET_INCOME	TTL_MFG_GAS_PROD_EXP
50878837	28841	3046824	28852490	0

Data

TTL_NAT_GAS_PROD_EXP	TTL_EXPL_DEV_OPR_EXP	TTL_PROD_GATH_OPR_EXP	TTL_PROD_GATH_MAINT_EXP
4953966	0	3298802	1655164

Data

SUPP_OPR_EX_PUR_GAS	SUPP_MAINT_EX_PUR_GAS_EXP	GAS_UTILITY_OPR	OTR_GAS_SUPP_EXP
40479829	-19901012	-284094	664544

Data

UNDERGRD_STOR_EXP	NAT_GAS_MAINT_EXP	TRANS_EXP_OPR	TRANS_EXP_MAINT	DISTR_EXP_OPR
852418	249614	90015786	1136456	17326268

Data

DISTR_EXP_MAINT	CUST_ACCTS_EXP	CUST_SVE_INFO_EXP	SALES_EXP	ADM_GENL_EXP_OPR
23249657	21273002	4935737	1504763	35982339

Data

ADM_GENL_EXP_MAINT	TTL_RECEIPTS_MCF	UNACCT_GAS_MCF	TRANSPORTATION	DISTR_MAINS_M-FT
31939	126671199	8045502	61342299	132

Data

TRANS_MAINS_M_FT	SERV_EOY_CO_OWNED	RES_MET_CUST	COMM_MET_CUST	IND_MET_CUST
0	1	335323	27656	255

Data

OTR_MET_CUST	TOTAL_MET_CUST	TOTAL_UNMET_CUST	TOTAL_TRANS_CUST	TOTAL_CUST	TTL_RES_REV
12	363246	0	0	363246	237202537

Data

RES_MCF_MET	AVG_RES_CUST	TTL_COMM_REV	COMM_MCF_MET	AVG_COMM_CUST	TTL_IND_REV
28676063	333333	65000344	16284511	27467	17145301

Data

IND_MCF_MET	AVG_IND_CUST	TTL_TRANS_REV	AVG_TRANS_CUST	TTL_OTHER_REV
18106590	227	0	0	344430

Data

AVG_OTHER_CUST	RES_REV_MET	TOTAL_REV_UNM	AV_RES_USE	AV_RES_BILL	TTL_ALL_EMPLOYEES
7	237202537	0	85.52	707.39	863