

**GAS ANNUAL REPORT
OF**

PEOPLES NATURAL GAS LLC - EQUITABLE DIVISION

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

**FOR THE
YEAR ENDED DECEMBER 31, 2017
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 400, 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 Public Utility Commission, P.O. Box 3265, Harrisburg, Pennsylvania, 17105-3265 on or before the 30th of April following the end of the year to which the report applies.
2. All Natural Gas Distribution Companies subject to the jurisdiction of the Pennsylvania Public Utility Commission, upon which this report is served are required by statute to complete and file this report. The statute further provides that when any such report is defective or believed to be erroneous, the reporting corporation shall be duly notified and given a reasonable time within which to make the necessary amendments or corrections. All data comprising this report shall be submitted in electronic and permanent form.
3. All accounting terms and phrases used in this form are to be interpreted in accordance with the effective applicable Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission Title 18 under "Part 201-Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the Provisions of the Natural Gas Act", (18 CFR Part 201). Whenever the term respondent is used, it shall mean the reporting company.
4. Standard accounting procedures will apply in determining the nature of any entry (e.g., Uncollectibles, a revenue item, is normally a debit entry, and should be entered as a "positive" number unless the reported balance is a credit). Entries of a reverse or contrary character shall be indicated by parenthesis around the number.
5. If the report is made for a period less than the calendar year, the period covered must be clearly stated on the front cover and elsewhere throughout the report where the period covered is shown. When operations cease during the year because of the disposition of property, the balance sheet and supporting schedules should consist of balances and items immediately prior to transfer (for accounting purposes). If the books are not closed as of that date, the data in the report should nevertheless be complete, and the amounts reported should be supported by information set forth in, or as part of, the books of account.
6. All instructions shall be followed and each question shall be answered fully and accurately. Sufficient answers shall appear to show that no question or schedule has been overlooked. The expression "none" or "not applicable" shall be given as the answer to any particular inquiry or schedule where it truly and completely states the fact. Unless otherwise indicated, no information will be accepted which incorporates by reference information from another document or report. Where information called for herein is not given, state fully the reason for its omission.
7. Extra copies of any page will be furnished upon request. If it is necessary or desirable to insert additional statements for the purpose of further explanation of accounts or schedules, they shall be legibly made on paper of durable quality and shall correspond to this form in size of page and width of margin. Additional sheets, ruled either vertically or horizontally, will be furnished on request. Inserts, if any, should be appropriately identified with the schedules to which they relate.
8. If the gas distribution service provider conducts operations both within and outside the Commonwealth of Pennsylvania, data should be reported so that there will be shown the number of subscribers within this state, and (separately by accounts) the operating revenues from sources within this state, and the plant investment as of the end of the year within the state.
9. Whenever schedules call for comparison of figures of a previous year, the figures reported must be based upon those shown by the annual report of the previous year or an appropriate explanation given why different figures were used.
10. Throughout the report, money items shall be shown in units of dollars adjusted to accord with footings. Omitting cents does not apply, however, to items in which cents are of significance, as for instance, in averages and in unit costs.
11. If this report is not completed electronically, the name of the respondent and the year to which the report relates shall be inserted on the top of each page.

GENERAL INFORMATION

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

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

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

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

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

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

None.

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

Natural gas service in the Commonwealth of Pennsylvania.

IMPORTANT CHANGES DURING YEAR

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

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

1. Through 6. None**7. Important wage scale changes:**

A three-year contract was ratified with the Utility Workers Union of America through October 31, 2018. A 4.5% wage increase was effective October 29, 2017.

Estimated effect on 2017 operating expenses - \$68,161

Estimated average annual effect on operating expenses - \$216,413

IBEW - International Brotherhood of Electrical Workers Local 1956, entered into a three-year extension of their existing agreement through January 23, 2019. A 2.5% wage increase was effective January 15, 2017.

Estimated effect on 2017 operating expenses = \$27,703

Estimated average annual effect on operating expenses = \$28,891

Non-union employees received an average increase of approximately 3% effective February 26, 2017.

Estimated effect on 2017 operating expenses - \$108,281

Estimated average annual effect on operating expenses - \$129,938

8. None**9. None****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 members and transfers to other capital accounts, and other adjustments.

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

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

PEOPLES NATURAL GAS COMPANY LLC - TOTAL COMPANY

100. VOTING POWERS AND ELECTIONS

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

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

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

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

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

N/A

4. Is cumulative voting permitted? Yes/No

N/A

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

N/A

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

N/A

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

N/A

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

N/A

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

N/A

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

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

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

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

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

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

FOOTNOTES

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

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

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a) abbreviated titles of the directors who are officers of respondent.

2. Designate by an asterisk names of members of Executive Committee, and by double asterisk the Chairman of the Executive Committee.

Line No.	Directors Name and Title (a)	Principal Business Address					Term Began (i)	Term Email (j)	Meetings Attended (k)	Fees Paid (l)
		Street Address (b)	City (c)	Stat (d)	Zip (e)	Telephone (h)				
1	Christopher P. Kinney	500 Fifth Avenue, 55th Fl.	New York	NY	10110	212 696 0110	Feb-10		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
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										

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

Line No.	Official Title & Name (a)	Principal Business Address						Email (j)
		Street Address (b)	City (c)	State (d)	Zip (e)	Telephone (h)	Fax (i)	
1	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 Administrative 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 Chief Operating Officer							
6	Joseph A. Gregorini	375 North Shore Drive	Pittsburgh	PA	15212	412-208-1905	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
11	Vice Presidents:							
12	Paul Becker - Construction & Engineering	375 North Shore Drive	Pittsburgh	PA	15212	412 258 4406	412-208-6869	paul.becker@peoples-gas.com
13	Thomas Butler - Strategic Planning	375 North Shore Drive	Pittsburgh	PA	15212	412-208-7930	412-208-6869	Thomas.Butler@peoples-gas.com
14	Jeffrey S. Nehr - Business Development & Gas Supply	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	412-258-6715	412-208-6869	edward.a.palombo@peoples-gas.com
16	Lynda Petrichevich - Regulatory Affairs	375 North Shore Drive	Pittsburgh	PA	15212	412-208-6528	412-208-6869	lynda.w.petrichevich@peoples-gas.com
17	Luke Ravenstahl - Sales & Marketing	375 North Shore Drive	Pittsburgh	PA	15212	412-208-4438	412-208-6869	Luke.Ravenstahl@peoples-gas.com
18	Judith M. Stemmler - Human Resources	375 North Shore Drive	Pittsburgh	PA	15212	412-208-7908	412-208-6869	judi.stemmler@peoples-gas.com

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	\$ 2,367,859,573	\$ 2,543,989,455	\$ 176,129,882
3	101.1 Property Under Capital Leases		16,958,333	-	\$ (16,958,333)
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	\$ 15,900,516	\$ 16,864,396	\$ 963,880
11	108.0 Accumulated Provision for Depreciation of Gas Utility Plant	206	\$ (804,796,004)	\$ (833,555,260)	\$ (28,759,256)
12	111.0 Accumulated Prov. For Amortization & Depletion of Gas Utility Pl.	206	\$ (38,948,548)	\$ (51,578,129)	\$ (12,629,581)
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 Acquisition Adjustments	206			
15	116.0 Other Gas Plant Adjustments				
16	117.1 Gas Stored-Base Gas				
17	117.2 System Balancing Gas				
18	117.3 Gas Stored in Reservoirs and Pipelines-Noncurrent				
19	117.4 Gas Owed to System Gas				
20	118.0 Other Utility Plant Adjustments				
21	119.0 Accumulated Provision for Depreciation and Amortization of Other Utility Plant	206			
22					
23					
24	TOTAL UTILITY PLANT		\$ 1,841,873,412	\$ 1,960,620,004	\$ 118,746,592
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	\$ 3,146,634	\$ 3,733,190	\$ 586,556
31	125.0 Sinking Funds				
32	126.0 Depreciation Fund				
33	128.0 Other Special Funds		\$ 229,200	\$ 229,200	\$ -
34	TOTAL OTHER PROPERTY AND INVESTMENTS		\$ 3,383,684	\$ 3,970,240	\$ 586,556

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		\$ 1,011,288	\$ 1,726,852	\$ 715,564
3	132.0 Interest Special Deposits				
4	133.0 Dividend Special Deposits				
5	134.0 Other Special Deposits		\$ 892,515	\$ 1,077,515	\$ 185,000
6	135.0 Working Funds				
7	136.0 Temporary Cash Investments	210			
8	141.0 Notes Receivable	211			
9	142.0 Customer Accounts Receivable		\$ 82,646,155	\$ 92,302,840	\$ 9,656,685
10	143.0 Other Accounts Receivable	211	\$ 6,018,924	\$ 7,522,325	\$ 1,503,401
11	144.0 Accumulated Provision for Uncollectible Accounts-Cr.		\$ (12,085,260)	\$ (11,396,200)	\$ 689,060
12	145.0 Notes Receivable from Associated Companies	212			
13	146.0 Accounts Receivable for Associated Companies	213	\$ 3,029,440	\$ 1,980,930	\$ (1,048,510)
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	\$ 3,092,138	\$ 3,092,463	\$ 325
18	155.0 Merchandise				
19	156.0 Other Materials and Supplies				
20	163.0 Stores Expense-Undistributed				
21	164.1 Gas Stored-Current		\$ 17,840,346	\$ 23,137,167	\$ 5,296,821
22	164.2 Liquefied Natural Gas Stored				
23	164.3 Liquefied Natural Gas Held for Processing				
24	165.0 Prepayments		\$ 7,997,127	\$ 6,037,016	\$ (1,960,111)
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		\$ 41,346,105	\$ 67,604,872	\$ 26,258,767
30	174.0 Miscellaneous Current and Accrued Assets		\$ 1,754,235	\$ 3,117,953	\$ 1,363,718
31	TOTAL CURRENT & ACCRUED ASSETS		\$ 153,543,013	\$ 196,203,733	\$ 42,660,720
32	DEFERRED DEBITS				
33	181.0 Unamortized Debt Expense	216	\$ 4,246,862	\$ 7,295,759	\$ 3,048,897
34	182.1 Extraordinary Property Losses	217			
35	182.2 Unrecovered Plant and Regulatory Study Costs	217			
36	182.3 Other Regulatory Assets		\$ 144,317,431	\$ 140,418,604	\$ (3,898,827)
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		\$ 1,620,213	\$ 1,908,510	\$ 288,297
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		\$ 56,415,425	\$ 64,805,290	\$ 8,389,865
46	191.0 Unrecovered Purchased Gas Costs		\$ 7,962,673	\$ 1,905,655	\$ (6,057,018)
47	TOTAL DEFERRED DEBITS		\$ 214,562,604	\$ 216,333,818	\$ 1,771,214
48	TOTAL ASSETS & TOTAL DEBITS		\$ 2,213,362,713	\$ 2,377,127,795	\$ 163,765,082

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					
14	211.0 Miscellaneous Paid-In Capital		\$ 794,774,910	\$ 794,774,910	\$ -
15	212.0 Installments Received on Capital Stock				
16	213.0 Discount on Capital Stock				
17	214.0 Capital Stock Expense				
18	215.0 Appropriated Retained Earnings				
19	216.0 Unappropriated Retained Earnings		\$ 62,339,536	\$ 123,194,650	\$ 60,855,114
20	216.1 Unappropriated Undistributed Subsidiary Earnings				
21	217.0 Reacquired Capital Stock				
22	TOTAL PROPRIETARY CAPITAL		\$ 857,114,446	\$ 917,969,560	\$ 60,855,114
23					
24	LONG-TERM DEBT				
25	221.0 Bonds	231			
26	222.0 Reacquired Bonds	231			
27	223.0 Advances from Associated Companies		\$ 643,148,600	\$ 873,076,100	\$ 229,927,500
28	224.0 Other Long-term Debt	231			
29	225.0 Unamortized Premium on Long-Term Debt				
30	226.0 Unamortized Discount on Long-Term Debt-Debit				
31	TOTAL LONG TERM DEBT		\$ 643,148,600	\$ 873,076,100	\$ 229,927,500
32					
33	OTHER NONCURRENT LIABILITIES				
34	227 Obligation Under Capital Leases-NonCurrent				
35	228.1 Accumulated Provision for Property Insurance				
36	228.2 Accumulated Provision for Injuries and Damages		\$ 814,547	\$ 814,547	\$ -
37	228.3 Accumulated Provision for Pensions and Benefits		\$ 24,410,105	\$ 26,515,259	\$ 2,105,154
38	228.4 Accumulated Miscellaneous Operating Provisions		\$ 113,214	\$ 95,894	\$ (17,320)
39	229 Accumulated Provision for Rate Refunds				
40	230 Asset Retirement Obligations		\$ 37,946,060	\$ 38,378,627	\$ 432,567
41	TOTAL OTHER NONCURRENT LIABILITIES		\$ 63,283,926	\$ 65,804,327	\$ 2,520,401

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		\$ 125,839,448	\$ 106,069,134	\$ (19,770,314)
4	233.00 Notes Payable to Associated Companies		\$ 210,822,323	\$ 71,219,379	\$ (139,602,944)
5	234.00 Accounts Payable to Affiliated Companies		\$ 6,177,866	\$ 7,813,546	\$ 1,635,680
6	235.00 Customers' Deposits-Billing		\$ 3,916,356	\$ 3,059,417	\$ (856,939)
7	236.10 Accrued Taxes, Taxes Other Than Income		\$ 3,940,317	\$ 8,963,336	\$ 5,023,019
8	236.20 Accrued Taxes, Income Taxes				
9	237.10 Accrued Interest on Long-term Debt				
10	237.20 Accrued Interest on Other Liabilities		\$ 41,178	\$ 39,702	\$ (1,476)
11	238.00 Dividends Declared				
12	239.00 Matured Long-term Debt				
13	240.00 Matured Interest				
14	241.00 Tax Collections Payable		\$ 572,120	\$ 606,314	\$ 34,194
15	242.00 Miscellaneous Current and Accrued Liabilities		\$ 8,186,810	\$ 11,664,271	\$ 3,477,461
16	243.00 Obligations Under Capital Leases-Current		\$ 18,951,288	-	\$ (18,951,288)
17	TOTAL CURRENT AND ACCRUED LIABILITIES		\$ 378,447,706	\$ 209,435,099	\$ (169,012,607)
18					
19	DEFERRED CREDITS				
20	252.00 Customer Advances for Construction		-	\$ 164,336	\$ 164,336
21	253.00 Other Deferred Credits		\$ 18,997,700	\$ 16,348,962	\$ (2,648,738)
22	254.00 Other Regulatory Liabilities		\$ 1,442,041	\$ 98,267,837	\$ 96,825,796
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		\$ 240,968,752	\$ 182,658,308	\$ (58,310,444)
28	283.00 Accum. Deferred Income Taxes-Other		\$ 9,959,542	\$ 13,403,266	\$ 3,443,724
29	TOTAL DEFERRED CREDITS		\$ 271,368,035	\$ 310,842,709	\$ 39,474,674
30					
31	TOTAL LIABILITIES & OTHER CREDITS		\$ 2,213,362,713	\$ 2,377,127,795	\$ 163,765,082

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

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

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

Account 216.0 - Unappropriated Retained Earnings

During 2017, Peoples Natural Gas Company LLC declared and paid dividends of \$12,800,000 to its parent, PNG Companies LLC.

Tax Law Changes

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "TCJA"). The Company is currently working with its state regulatory commission who has opened investigations to examine the impact of the TCJA on customer rates. In accordance with the accounting rules for income taxes, the tax effects of changes in tax laws were recognized in 2017, the period in which the law was enacted, and deferred tax assets and liabilities were re-measured at the enacted tax rate expected to apply when temporary differences are to be realized or settled.

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	\$ 49,770				\$ 49,770
3	302 Franchises & Consents					
4	303 Other Plant and Miscellaneous Equipment	\$ 25,041,184	\$ 1,216,990			\$ 26,258,174
5	Total Intangible Plant	\$ 25,090,954	\$ 1,216,990			\$ 26,307,944
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	\$ 63,365				\$ 63,365
26	325.2 Producing Leaseholds	\$ 16,356		\$ 16,356		-
27	325.3 Gas Rights	\$ 11,865				\$ 11,865
28	325.4 Rights of Way	\$ 283,475				\$ 283,475
29	325.5 Other Land and Land Rights	\$ 9,803				\$ 9,803
30	326 Other Plant and Miscellaneous Equipment					
31	327 Field Compressor Station Structures	\$ 9,095,020	\$ 195,540	\$ 14,450		\$ 9,276,110
32	328 Field Measuring & Regulating Station Structures	\$ 16,862				\$ 16,862
33	329 Other Structures					
34	330 Producing Gas Wells-Well Construction	\$ 598,329		\$ 598,329		-
35	331 Producing Gas Wells-Well Equipment	\$ 228,454		\$ 228,454		-
36	332 Field Lines	\$ 23,163,921	\$ 503,430	\$ 22,070		\$ 23,645,281
37	333 Field Compressor Station Equipment	\$ 7,838,199	\$ 281,745	\$ 338,287		\$ 7,781,657
38	334 Field Measuring & Regulating Station Equipment	\$ 1,475,572	\$ 17,701			\$ 1,493,273
39	335 Drilling & Cleaning Equipment					
40	336 Purification Equipment					
41	337 Other Equipment	\$ 3,066				\$ 3,066
42	338 Unsuccessful Exploration & Development Costs					
43	Total Natural Gas Production & Gathering Plant	\$ 42,804,287	\$ 998,416	\$ 1,217,946		\$ 42,584,757
44	PRODUCTS EXTRACTION PLANT	XXX	XXX	XXX	XXX	XXX
45	340 Land and Land Rights					
46	341 Other Plant and Miscellaneous Equipment					
47	342 Extraction & Refining Equipment					
48	343 Pipe Lines					
49	344 Extracted Product Storage Equipment					
50	345 Compressor Equipment					
51	346 Gas Measuring and Regulating Equipment					
52	347 Other Equipment					
53	Total Products Extraction Plant					
54	UNDERGROUND STORAGE PLANT	XXX	XXX	XXX	XXX	XXX
55	350.1 Land					
56	350.2 Rights of Way					
57	351 Structures and Improvements					
58	352 Wells					
59	352.1 Storage Leaseholds and Rights					
60	352.2 Reservoirs					
61	352.3 Nonrecoverable Natural Gas					
62	353 Lines					

205. UTILITY PLANT IN SERVICE - Account No. 101.0

Line No.	Account Number and Title (a)	Balance Previous Year (b)	Additions (c)	Retirements (d)	Adjustments +/- (e)	Balance End of Year (f)
63	354 Compressor Station Equipment					
64	355 Measuring and Regulating Equipment					
65	356 Purification Equipment					
66	357 Other Equipment					
67	Total Underground Storage Plant					
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					
80	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	\$ 68,423				\$ 68,423
92	365.2 Rights of Way	\$ 487,582				\$ 487,582
93	366 Structures and Improvements	\$ 1,385,120				\$ 1,385,120
94	367 Mains	\$ 19,924,834	\$ 347,077	\$ 5,163		\$ 20,266,748
95	368 Compressor Station Equipment	\$ 11,383,163	\$ 62,875	\$ 39,749		\$ 11,406,289
96	369 Measuring and Regulating Station Equipment	\$ 2,456,728	\$ 282,918			\$ 2,739,646
97	370 Communication Equipment					
98	371 Other Equipment					
99	Total Transmission Plant	\$ 35,705,850	\$ 692,870	\$ 44,912		\$ 36,353,808
100	DISTRIBUTION PLANT	XXX	XXX	XXX	XXX	XXX
101	374 Land & Land Rights	\$ 2,237,839	\$ 92,558			\$ 2,330,397
102	375 Structures and Improvements	\$ 1,801,196	\$ 6,500	\$ 247		\$ 1,807,449
103	376 Mains	\$ 596,164,043	\$ 42,979,282	\$ 1,359,178		\$ 637,784,147
104	377 Compressor Station Equipment					
105	378 Measuring & Regulating Station Equipment-General	\$ 24,925,367	\$ 517,026	\$ 15,936		\$ 25,426,457
106	379 Measuring & Regulating Station Equipment-City Gate C. St.					
107	380 Services	\$ 272,064,123	\$ 11,242,600	\$ 27,248		\$ 283,279,475
108	381 Meters	\$ 23,411,563	\$ 1,369,692	\$ 1,277,068		\$ 23,504,187
109	382 Meter Installations	\$ 20,519,498	\$ 1,438,769	\$ 36,412		\$ 21,921,855
110	383 House Regulators					
111	384 House Regulatory Installations					
112	385 Industrial Measuring and Regulating Station Equipment	\$ 380,124	\$ 198,177			\$ 578,301
113	386 Other Property on Customers' Premises	\$ 14,566,813				\$ 14,566,813
114	387 Other Equipment	\$ 366,048	\$ (91,883)	\$ 33,765		\$ 240,400
115	388 Asset Retirement Costs for Distribution Plant	\$ 275,328			\$ 289,232	\$ 564,560
116	Total Distribution Plant	\$ 956,711,942	\$ 57,752,721	\$ 2,749,854	\$ 289,232	\$ 1,012,004,041
117	GENERAL PLANT	XXX	XXX	XXX	XXX	XXX
118	389 Land & Land Rights	\$ 74,604	\$ 77,708			\$ 152,312
119	390 Structures and Improvements	\$ 9,459,586		\$ 712		\$ 9,458,874
120	391 Office Furniture & Equipment	\$ 5,052,906	\$ 24,206	\$ 89,867		\$ 4,987,245
121	392 Transportation Equipment	\$ 12,112,518	\$ 453,831	\$ 1,050,689		\$ 11,515,660
122	393 Stores Equipment					
123	394 Tools & Garage Equipment	\$ 4,958,907	\$ 112,894	\$ 100,844		\$ 4,970,957
124	395 Laboratory Equipment					
125	396 Power Operated Equipment	\$ 1,753,654	\$ 241,790	\$ 64,900		\$ 1,930,544
126	397 Communication Equipment	\$ 1,042,933	\$ 16,945,946	\$ 42,755		\$ 17,946,124
127	398 Miscellaneous Equipment					
128	399 Other Tangible Property	\$ (25,913,153)				\$ (25,913,153)
129	Total General Plant	\$ 8,541,955	\$ 17,856,375	\$ 1,349,767		\$ 25,048,563
130	Total Plant	\$ 1,068,854,988	\$ 78,517,372	\$ 5,362,479	\$ 289,232	\$ 1,142,299,113

**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	\$ 365,707,877	\$ 365,707,877			
2	Credits During Year	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
3	Depreciation Provisions charged to:	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
4	403. Depreciation	\$ 23,199,632	23,199,632			
5	404. Amortization & Depletion	2,323,240	2,323,240			
6		-				
7		-				
8		-				
9		-				
10	Total Depreciation Provisions	\$ 25,522,872	\$ 25,522,872			
11	Recoveries from Insurance	\$ 173,365	\$ 173,365			
12	Salvage Realized from Retirements	\$ 90,073	\$ 90,073			
13	Other Credits (Describe)	-	0			
14	ARO Adjustment	1,522,663	1,522,663			
15		-				
16		-				
17		-				
18	Total Credits During Year	\$ 1,786,101	\$ 1,786,101			
19	Total Credits	\$ 27,308,973	\$ 27,308,973			
20	Debits During Year	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
21	Retirement of Utility Plant	\$ 5,362,479	5,362,479			
22	Cost of Removal	4,655,060	4,655,060			
23	Other Debits (Describe)	-	-			
24	Capital Lease Amortization	-	-			
25						
26						
27						
28	Total Debits During Year	\$ 10,017,539	\$ 10,017,539			
29	Balance at End of Year	\$ 382,999,311	\$ 382,999,311			

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

207. GAS PLANT ACQUISITIONS ADJUSTMENTS - Account No. 114.0

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

206. ACCUMULATED DEPRECIATION OF UTILITY PLANT - (Continued)

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

DEPRECIATION EXPENSE - ACCOUNT 403

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

<u>Intangible Plant</u>	<u>PA Rate</u>	<u>General Plant</u>	<u>PA Rate</u>
301.0	0.00%	389.1	0.00%
303.0	8.11%	389.2	0.37%
303.1	10.00%	390.0	6.90%
303.2	20.00%	390.03	2.68%
		391.0	*
		391.1	*
		391.2	*
		392.1	0.00%
		392.2	6.76%
		392.3	6.03%
		394.0	*
		396.0	2.64%
		397.1	*
		397.5	*
		398.0	*
<u>Production Plant</u>			
325.1	0.00%		
325.2	0.18%		
325.3	0.00%		
325.4	0.59%		
325.5	0.00%		
327.0	3.00%		
328.0	0.60%		
330.0	0.30%		
331.0	0.40%		
332.0	1.33%		
333.0	3.25%		
334.0	2.70%		
337.0	0.55%		
<u>Transmission Plant</u>			
365.1	0.00%		
365.2	0.63%		
366.1	1.51%		
366.2	1.46%		
367.0	1.06%		
368.0	2.99%		
369.0	1.80%		
370.0	0.00%		
<u>Distribution Plant</u>			
374.1	0.00%		
374.2	1.16%		
375.0	1.81%		
376.0	1.42%		
378.0	2.40%		
380.0	2.00%		
381.0	2.68%		
382.0	1.57%		
383.0	0.00%		
384.0	0.00%		
385.0	0.92%		
386.0	6.62%		
387.0	*		

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

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

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

Annual accrual rates were developed in a depreciation study made by Gannett Fleming Valuation and Rates Consultants, Inc., based on the plant-in-service balance at December 31, 2015. The annual depreciation is based on the remaining-life method using (1) remaining lives consistent with the average service-life procedure for plant installed prior to 1983 and (2) remaining lives consistent with the equal-life group procedure for plant installed in 1983 and subsequent years.

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

208. CONSTRUCTION WORK IN PROGRESS - Account No. 107

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

Line No.	Description of Work (a)	Balance End of Year (b)	Estimate Total Cost of Construction (c)	Projected In-Service Date (d)
1	Projects greater than \$300,000.00:			
2	Project Number Project Description			
3	SW.PEGC.MIAGENT.PH1.2 SW MIAGENT - IN HOUSE	\$ 724,398	\$ 1,500,000	Dec-18
4	SW.PEGC.WFO PH2.2 SW.WORKFORCE OPT PH2-In-House	\$ 446,992	\$ 487,100	Jan-18
5				
6	Subtotal	\$ 1,171,390	\$ 1,987,100	
7				
8				
9				
10				
11				
12				
13				
14	Remaining Projects:			
15	Distribution Plant	\$ 1,603,911	\$ 2,405,867	Jun-17
16	General Plant	-	-	Jun-17
17	Intangible Plant	\$ 349,464	\$ 524,196	Jun-17
18	Production Plant	\$ 337,053	\$ 505,580	Jun-17
19	Transmission Plant	\$ 213,665	\$ 320,498	Jun-17
20				
21				
22				
23				
24				
25	TOTALS	\$ 3,675,483	\$ 5,743,241	

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

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

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Book Costs* Beginning of Year (d)	Principal Amount or No. of Shares (e)	Book Cost End of Year (f)	Revenues For Year (g)	Gain or Loss From Invest Disposed of (h)
1	Account 124 Other Investments							
2								
3	Western PA Development Credit Corp	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	\$ 24,144	-
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	-	\$ 595,388	595 units	\$ 595,388	-	-
19	Limited Partnership - Class A Partner	05/08/17	-	\$ -	586 units	\$ 586,556	-	-
20								
21								
22								
23								
24								
25								
26				\$ 3,146,634		\$ 3,733,190	\$ 24,144	\$ -

* 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	
		1/1/2017 (b)	12/31/2017 (c)	Interest Revenue (d)	1/1/2017 (e)	12/31/2017 (f)
1	Accounts Receivable - Estimates				\$ 1,040,833	\$ 480,900
2	A/R - Other-Accident/Property Claims				\$ 295,922	\$ 174,717
3	Accounts Receivable - Other				\$ (16,059)	-
4	A/R - Damages					
5						
6						
7	Total				\$ 1,320,696	\$ 655,617

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

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

Line No.	Name of Associated Company (a)	Date of Issue (b)	Date of Maturity (c)	Amount End of Year (d)	Interest Rate (e)	Amount (f)
1	PNG Companies LLC - Demand Note	6/8/2017	6/8/2022	\$ 71,219,379	Variable	\$ 2,037,542
2						
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	\$	58,122,642
3	Materials and Supplies Sold		
4	Services Rendered	\$	15,565,853
5	Joint Expense Transferred		
6	Interest and Dividends Receivable		
7	Rents Receivable		
8	Securities Sold		
9	Other Debits (Specify)		
10	Convenience Payments	\$	18,801,224
11	Gas Sold	\$	74,194
12	Asset Transfer	\$	526,576
13	Total Debits During Year	\$	93,090,489
14			
15	Credits During Year		
16	Cash Received	\$	(15,282,686)
17	Gas Purchased		
18	Fuel Purchased		
19	Materials and Supplies Purchased	\$	(10,720)
20	Services Received	\$	(29,141,551)
21	Joint Expense Transferred		
22	Interest and Dividends Payable	\$	(44,056,169)
23	Rents Payable		
24	Securities Purchased		
25	Transferred to Account "145"		
26	Other Credits (Specify)		
27	Convenience Payments	\$	(3,247,365)
28	Liability Transfer	\$	(4,036,188)
29			
30	Total Credits During Year	\$	(95,774,679)
31	Balance at End of Year	\$	(5,832,616)

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	\$ 2,120	\$ 3,709	\$ 1,590
2	Compressor Station Parts	\$ 12,180	\$ 165	\$ (12,015)
3	Corrosion Protection	\$ 239	\$ 33	\$ (206)
4	Gas Measuring Equipment	\$ 145,474	\$ 86,391	\$ (59,083)
5	Pipe	\$ 21,114	\$ 344,465	\$ 323,351
6	Tubing	\$ 209,552	\$ 45,007	\$ (164,545)
7	Valves	\$ 43,862	\$ 26,931	\$ (16,931)
8	Misc.	\$ 94,243	\$ 199	\$ (94,044)
9	Regulators	\$ 487	\$ 4,223	\$ 3,736
10				
11				
12				
13				
14				
15				
16				
17	Total	\$ 529,271	\$ 511,123	\$ (18,148)

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	\$ 1,618,298	\$ 9,850	\$ 676,532	\$ 951,616
3									
4	Intercompany demand note payable to PNG Companies LLC		\$ 3,240,273	6/8/2017	6/8/2022	\$ 1,068,990	\$ 1,315,706	\$ 518,375	\$ 1,866,321
5									
6	Intercompany promissory note payable to PNG Companies LLC	\$ 447,277,500	\$ 3,351,733	12/18/2017	12/18/2032	\$ -	\$ 3,351,733	\$ 15,341	\$ 3,336,392
7									
8	Intercompany promissory note payable to PNG Companies LLC	\$ 399,500,000	\$ 2,968,274	12/19/2013	12/18/2025	\$ 1,559,574	\$ -	\$ 418,145	\$ 1,141,429
9									
10									
11									
12									
13									
14									
15	Total	\$ 1,235,172,500	\$ 19,587,506			\$ 4,246,862	\$ 4,677,289	\$ 1,628,392	\$ 7,295,759

PEOPLES NATURAL GAS COMPANY, LLC - TOTAL COMPANY

217. EXTRAORDINARY PROPERTY LOSSES (Account 182)

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

Line No.	Description of Property Loss Or Damage (a)	Comm. Auth. No. (b)	Amortization Period (Give Years Only)		Total Amount of Loss (e)	Previously Written off (f)	Written off During Year		Balances At End of Year (i)
			From (c)	To (d)			Account Charged (g)	Amount (h)	
1	None								
2									
3									
4									
5									
6									
7									
8	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									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28	TOTAL			0	0		0	0	0

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

400. INCOME STATEMENT
REVENUES AND EXPENSES

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

Line No.	Account Number and Title (a)	Schedule Page No. (b)	Balance Current Year (c)	Balance Previous Year (d)	Increase/Decrease (e)
1	OPERATING EXPENSES				
2	401 Operation Expenses		\$ 157,789,852	\$ 121,524,641	\$ 36,265,211
3	402 Maintenance Expenses		\$ 12,645,090	\$ 11,782,746	\$ 862,344
4	403 Depreciation Expenses		\$ 23,199,632	\$ 21,370,142	\$ 1,829,490
5	404.0 Amort. & Depletion of Utility Plant		\$ 2,323,217	\$ 2,863,758	\$ (540,541)
6	404.1 Amort. & Depletion of Prod. Natural Gas Land & Rights				
7	404.2 Amort. Of Underground Storage Land & Land Rights		\$ 23	\$ 33	\$ (10)
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	\$ 2,949,169	\$ 3,310,181	\$ (361,012)
16	409.1 Income Taxes, Utility Operating Income	409	\$ 15,251,685	\$ 8,397,161	\$ 6,854,524
17	410.1 Provision for Deferred Income Taxes, Ut. Opr. Income	411	\$ 25,495,797	\$ 29,991,256	\$ (4,495,459)
18	411.1 Prov. For Def. Income Taxes-Credit, Ut. Opr. Income	412	\$ (20,670,839)	\$ (11,046,123)	\$ (9,624,716)
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		\$ 218,983,626	\$ 188,193,795	\$ 30,789,831
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		\$ 12,746	-	\$ 12,746
30	416.0 Costs and Exp. of Merchandising Jobbing & Contract Wk		\$ (59,887)	-	\$ (59,887)
31	417.0 Revenue from Non-Utility Operations		\$ 2,163,204	\$ 2,163,204	\$ -
32	417.1 (Less) Expenses of Nonutility Operations		\$ (2,223,708)	\$ (2,287,360)	\$ 63,652
33	418.0 Non Operating Rental Income				
34	418.1 Equity in Earnings of Subsidiary Companies				
35	419.0 Interest & Dividend Income		\$ 309,018	\$ 14,832	\$ 294,186
36	419.1 Allowance for Other Funds Used During Construction				
37	421.0 Miscellaneous Non Operating Income		\$ 100,641	-	\$ 100,641
38	421.1 Gain on Disposition of Property, Total Other Income		\$ 1,496,791	-	\$ 1,496,791
39	Total Other Income		\$ 1,798,805	\$ (109,324)	\$ 1,908,129
40	OTHER INCOME DEDUCTIONS				
41	421.2 Loss on Disposition of Property				
42	425.0 Miscellaneous Amortization				
43	426.1 Donations		\$ 469,738	\$ 575,082	\$ (105,344)
44	426.2 Life Insurance				
45	426.3 Penalties				
46	426.4 Exp. for Certain Civic, Political & Related Activities		\$ 10,625	\$ 10,692	\$ (67)
47	426.5 Other Deductions				
48	Total Other Income Deductions		\$ 480,363	\$ 585,774	\$ (105,411)
49	TAXES APPLICABLE TO OTHER INCOME & DED.				
50	408.2 Taxes Other Than Income Taxes, Otr. Income & Ded.		-	\$ 200,000	\$ (200,000)
51	409.2 Income Taxes, Other Income & Deductions		\$ 703,924	\$ (41,540)	\$ 745,464
52	410.2 Prov. for Deferred Income Taxes, Otr. Income & Ded.		\$ 502,095	-	\$ 502,095
53	411.2 Prov. for Def. Income Taxes, Credit, Otr Income & Ded.		\$ (403,789)	\$ (321,609)	\$ (82,180)
54	411.5 Investment Tax Cr. Adjustments, Nonutility Operations				
55	420.0 Investment Tax Credits				
56	Total Taxes on Other Income and Deductions		\$ 802,230	\$ (163,149)	\$ 965,379
57	Net Other Income and Deductions		\$ 516,212	\$ (531,949)	\$ 1,048,161

**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		\$ 537,341	\$ 495,808	\$ 41,533
4	428.1 Amortization of Loss on Reacquired Debt				
5	429 Amortization of Premium on Debt-Credit				
6	429.1 Amortization of Gain on Reacquired Debt-Credit				
7	430 Interest on Debt to Associated Companies		\$ 14,553,207	\$ 14,484,428	\$ 68,779
8	431 Other Interest Expense		\$ 79,846	\$ 2,101,969	\$ (2,022,123)
9	432 Allowance for Borrowed Funds Used During Construction-Cr		-	-	-
10	Net Interest Charges		\$ 15,170,394	\$ 17,082,205	\$ (1,911,811)
11	EXTRAORDINARY ITEMS				
12	434 Extraordinary Income				
13	435 Extraordinary Deductions				
14	409.3 Income Taxes-Extraordinary Items				
15	Net Income		\$ 50,421,907	\$ 43,348,497	\$ 7,073,410
16					
17					
18					
19					
20					
21					
22					
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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				
15	Total Steam Production Maintenance Expenses				
16	Manufactured Gas Production				
17	710.0 Operation Supervision and Engineering				
18	Production Labor and Expenses				
19	711.0 Steam Expenses				
20	712.0 Other Power Expenses				
21	713.0 Coke Oven Expenses				
22	714.0 Producer Gas Expenses				
23	715.0 Water Gas Generating Expenses				
24	716.0 Oil Gas Generating Expenses				
25	717.0 Liquefied Petroleum Gas Expenses				
26	718.0 Other Process Production Expenses				
27	Total Production Labor and Expenses				
28	Gas Fuels				
29	719.0 Fuel Under Coke Ovens				
30	720.0 Producer Gas Fuel				
31	721.0 Water Gas Generator Fuel				
32	722.0 Fuel for Oil Gas				
33	723.0 Fuel for Liquefied Petroleum Gas Process				
34	724.0 Other Gas Fuels				
35	Total Gas Fuels Expenses				
36	Gas Raw Materials				
37	725.0 Coal Carbonized in Coke Ovens				
38	726.0 Oil for Water Gas				
39	727.0 Oil for Oil Gas				
40	728.0 Liquefied Petroleum Gas Expenses				
41	729.0 Raw Materials for Other Gas Processes				
42	730.0 Residuals Expenses				
43	731.0 Residuals Produced-Credit				
44	732.0 Purification Expenses				
45	733.0 Gas Mixing Expenses				
46	734.0 Duplicate Charges-Credit				
47	735.0 Miscellaneous Production Expenses				
48	736.0 Rents				
49	Total Gas Raw Materials Expenses				
50	Maintenance				
51	740.0 Maintenance Supervision and Engineering				
52	741.0 Maintenance of Structures and Improvements				
53	742.0 Maintenance of Production Equipment				
54	Total Maintenance Expenses				
55	Total Manufactured Gas Production Expenses				
56	NATURAL GAS PRODUCTION EXPENSES		XXX	XXX	XXX
57	Production and Gathering				
58	Operation				
59	750.0 Operating Supervision and Engineering				-
60	751.0 Production Maps and Records		\$ -	\$ 23	\$ (23)
61	752.0 Gas Wells Expenses				

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		\$ 508,825	\$ 8,301	\$ 500,524
2	754.0 Field Compressor Station Expenses		\$ 753,348	\$ 664,846	\$ 88,502
3	755.0 Field Compressor Station Fuel and Power		\$ -	\$ 309	\$ (309)
4	756.0 Field Measuring and Regulating Station Expenses		\$ 107,595	\$ 11,624	\$ 95,971
5	757.0 Purification Expenses				
6	758.0 Gas Well Royalties		\$ 2,869	\$ 3,249	\$ (380)
7	759.0 Other Expenses		\$ -	\$ 62	\$ (62)
8	760.0 Rents				
9	Total Production & Gathering Operation Expenses		\$ 1,372,637	\$ 688,415	\$ 684,222
10	Maintenance				
11	761.0 Maintenance Supervision and Engineering				
12	762.0 Maintenance of Structures and Improvements		\$ 16,889	-	\$ 16,889
13	763.0 Maintenance of Producing Gas Wells		\$ 22,466	\$ 26,921	\$ (4,455)
14	764.0 Maintenance of Field Lines		\$ 1,352,372	\$ 156,374	\$ 1,195,998
15	765.0 Maintenance of Field Compressor Station Equipment		\$ 722,340	\$ 629,715	\$ 92,625
16	766.0 Maintenance of Field Measuring and Reg. Station Equip.		\$ 44,060	\$ 12,625	\$ 31,435
17	767.0 Maintenance of Purification Equipment				
18	768.0 Maintenance of Drilling and Cleaning Equipment				
19	769.0 Maintenance of Other Equipment		\$ 11,298		
20	Total Production & Gathering Maintenance Expenses		\$ 2,169,425	\$ 825,635	\$ 1,343,790
21	Products Extraction				
22	Operation				
23	770.0 Operation Supervision and Engineering				
24	771.0 Operating Labor				
25	772.0 Gas Shrinkage				
26	773.0 Fuel				
27	774.0 Power				
28	775.0 Materials				
29	776.0 Operation Supplies and Expenses				
30	777.0 Gas Processed by Others				
31	778.0 Royalties on Products Extracted				
32	779.0 Marketing Expenses				
33	780.0 Products Purchased for Resale				
34	781.0 Variation in Products Inventory				
35	782.0 Extracted Products Used by the Utility-Credit				
36	783.0 Rents				
37	Total Products Extraction Operation Expenses				
38	Maintenance				
39	784.0 Maintenance Supervision and Engineering				
40	785.0 Maintenance of Structures and Improvements				
41	786.0 Maintenance of Extraction and Refining Equipment				
42	787.0 Maintenance of Pipe Lines				
43	788.0 Maintenance of Extracted Products Storage Equipment				
44	789.0 Maintenance of Compressor Equipment				
45	790.0 Maintenance of Gas Measuring & Regulating Equipment				
46	791.0 Maintenance of Other Equipment				
47	Total Products Extraction Maintenance Expenses				
48	Total Natural Gas Production Expenses				
49	EXPLORATION AND DEVELOPMENT EXPENSES		XXX	XXX	XXX
50	Operation				
51	795.0 Delay Rentals				
52	796.0 Nonproductive Well Drilling				
53	797.0 Abandoned Leases				
54	798.0 Other Exploration				
55	Total Exploration and Development Operation Exp.				
56	OTHER GAS SUPPLY EXPENSES		XXX	XXX	XXX
57	Operation				
58	800.0 Natural Gas Well Head Purchases				
59	800.1 Natural Gas Well Head Purchases - Segment Gas Costs		\$ 110,096,179	\$ 90,315,290	\$ 19,780,889
60	801.0 Natural Gas Well Head Purchases, Intercompany Trans.				
61	802.0 Natural Gas Gasoline Plant Outlet Purchases				
62	803.0 Natural Gas Transmission Line Purchases		\$ 3,900,343	\$ 3,080,569	\$ 819,774
63	804.0 Natural Gas City Gate Purchases				

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		\$ 6,631,482	\$ (13,306,807)	\$ 19,938,289
4	806.0 Exchange Gas				
5	807.0 Purchased Gas Expenses				
6	808.1 Gas Withdrawn from Storage-Debit		\$ 23,831,591	\$ 21,654,640	\$ 2,176,951
7	808.2 Gas Delivered to Storage-Credit		\$ (28,763,218)	\$ (20,068,143)	\$ (8,695,075)
8	809.1 Withdrawals of Liquefied Nat. Gas Held for Processing				
9	809.2 Deliveries of Natural Gas for Processing				
10	810.0 Gas Used for Compressor Station Fuel-Credit				
11	811.0 Gas Used for Products Extraction-Credit				
12	812.0 Gas Used for Other Utility Operations-Credit				
13	813.0 Other Gas Supply Expenses		\$ 262,595	\$ 5,037	\$ 257,558
14	Total Gas Supply Operation Expenses		\$ 115,958,972	\$ 81,680,587	\$ 34,278,385
15	Natural Gas Storage, Terminating & Processing Exp.				
16	Underground Storage Expenses				
17	814.0 Operation Supervision and Engineering				
18	815.0 Maps and Records				
19	816.0 Wells Expenses				
20	817.0 Lines Expenses				
21	818.0 Compressor Station Expenses				
22	819.0 Compressor Station Fuel and Power				
23	820.0 Measuring and Regulating Station Expenses				
24	821.0 Purification Expenses				
25	822.0 Exploration and Development				
26	823.0 Gas Losses				
27	824.0 Other Expenses				
28	825.0 Storage Well Royalties				
29	826.0 Rents				
30	Total Underground Storage Expenses		-	-	-
31	Maintenance				
32	830.0 Maintenance Supervision and Engineering				
33	831.0 Maintenance of Structures and Improvements				
34	832.0 Maintenance of Reservoirs and Wells				
35	833.0 Maintenance of Lines				
36	834.0 Maintenance of Compressor Station Equipment				
37	835.0 Maintenance of Measuring & Regulating Station Equip.				
38	836.0 Maintenance of Purification Equipment				
39	837.0 Maintenance of Other Equipment				
40	Total Maintenance Expenses		-	-	-
41	Other Storage Expenses				
42	Operation				
43	840.0 Operating Supervision and Engineering				
44	841.0 Operation Labor and Expenses				
45	842.0 Rents				
46	842.1 Fuel				
47	842.2 Power				
48	842.3 Gas Losses				
49	Total Operation Expenses		-	-	-
50	Maintenance				
51	843.1 Maintenance Supervision and Engineering				
52	843.2 Maintenance of Structures and Improvements				
53	843.3 Maintenance of Gas Holders				
54	843.4 Maintenance of Purification Equipment				
55	843.5 Maintenance of Liquefaction Equipment				
56	843.6 Maintenance of Vaporizing Equipment				
57	843.7 Maintenance of Compressor Equipment				
58	843.8 Maintenance of Measuring and Regulatory Equipment				
59	843.9 Maintenance of Other Equipment				
60	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				
21	Total Liq. N.G. Term & Proc. Operation Expenses		-	-	-
22	Maintenance				
23	847.1 Maintenance Supervision and Engineering				
24	847.2 Maintenance of Structures and Improvements				
25	847.3 Maintenance of LNG Processing Terminal Equipment				
26	847.4 Maintenance of LNG Transportation Equipment				
27	847.5 Maintenance of Measuring and Regulating Equipment				
28	847.6 Maintenance of Compressor Station Equipment				
29	847.7 Maintenance of Communication Equipment				
30	847.8 Maintenance of Other Equipment				
31	Total Liq. N.G. Term. Proc. Maintenance Expenses				
32	TRANSMISSION EXPENSES		XXX	XXX	XXX
33	Operation				
34	850.0 Operating Supervision and Engineering				
35	851.0 System Control and Load Dispatching				
36	852.0 Communication System Expenses				
37	853.0 Compressor Station Labor and Expenses		-	\$ 14,736	\$ (14,736)
38	854.0 Gas for Compressor Station Fuel				
39	855.0 Other Fuel and Power for Compressor Stations				
40	856.0 Mains Expenses		\$ 219,608	\$ 23,685	\$ 195,923
41	857.0 Measuring and Regulating Station Expenses		\$ 10,028	\$ 5,598	\$ 4,431
42	858.0 Transmission and Compression of gas by Others				
43	859.0 Other Expenses				
44	860.0 Rents				
45	Total Transmission Operation Expenses		\$ 229,636	\$ 44,019	\$ 185,617
46	Maintenance				
47	861.0 Maintenance Supervision and Engineering				
48	862.0 Maintenance of Structures and Improvements		\$ 1,130	\$ -	\$ 1,130
49	863.0 Maintenance of Mains		\$ 702,262	\$ 138,069	\$ 564,193
50	864.0 Maintenance of Compressor Station Equipment				
51	865.0 Maintenance of Measuring and Regulating Station Equip.		\$ 272,787	\$ 2,171	\$ 270,617
52	866.0 Maintenance of Communication Equipment		\$ 36,400	\$ 37,321	\$ (921)
53	867.0 Maintenance of Other Equipment		\$ 756	\$ -	\$ 756
54	Total Transmission Maintenance Expenses		\$ 1,013,336	\$ 177,561	\$ 835,775
55	DISTRIBUTION EXPENSES		XXX	XXX	XXX
56	Operation				
57	870.0 Operation Supervision and Engineering		\$ (574,493)	\$ (366,778)	\$ (207,715)
58	871.0 Distribution Load Dispatching		\$ 633	\$ -	\$ 633
59	872.0 Compressor Station Labor and Expenses				
60	873.0 Compressor Station Fuel and Power (Major Only)				
61	874.0 Mains and Services Expenses		\$ 3,691,030	\$ 2,945,358	\$ 745,673
62	875.0 Measuring and Regulating Station Expenses-General		\$ 999,891	\$ 1,172,191	\$ (172,301)

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		\$ 10,992	\$ 4,237	\$ 6,755
3	878.0 Meter and House Regulator Expenses		\$ 1,965,291	\$ 1,670,301	\$ 294,990
4	879.0 Customer Installations Expenses		\$ 1,435,657	\$ 1,346,217	\$ 89,440
5	880.0 Other Expenses		\$ 1,041,509	\$ 1,181,128	\$ (139,619)
6	881.0 Rents		\$ 300,319	\$ 343,152	\$ (42,833)
7	Total Distribution Operation Expenses		\$ 8,870,829	\$ 8,295,806	\$ 575,023
8	Maintenance				
9	885.0 Maintenance Supervision and Engineering				
10	886.0 Maintenance of Structures and Improvements		\$ 438,582	\$ 1,996,215	\$ (1,557,633)
11	887.0 Maintenance of Mains		\$ 7,936,350	\$ 7,509,394	\$ 426,957
12	888.0 Maintenance of Compressor Station Equipment				
13	889.0 Maintenance of Measuring & Reg. Station Equip.-Genl.		\$ 396,747	\$ 531,933	\$ (135,186)
14	890.0 Maintenance of Measuring & Reg. Station Equip.-Indtrl.		\$ 675	\$ 70	\$ 605
15	891.0 Maintenance of Measuring & Reg. Station Equip.-City G				
16	892.0 Maintenance of Services		\$ 230,774	\$ 267,984	\$ (37,210)
17	893.0 Maintenance of Meters & House Regulators		\$ 136,494	\$ 148,483	\$ (11,989)
18	894.0 Maintenance of Other Equipment		\$ 202,341	\$ 163,294	\$ 39,047
19	Total Maintenance Expenses		\$ 9,341,964	\$ 10,617,372	\$ (1,275,409)
20	CUSTOMER ACCOUNTS EXPENSES		XXX	XXX	XXX
21	Operations				
22	901.0 Supervision				
23	902.0 Meter Reading Expenses		\$ 850,077	\$ 744,045	\$ 106,032
24	903.0 Customer Records & Collection Expenses		\$ 5,866,380	\$ 5,397,843	\$ 468,537
25	904.0 Uncollectable Accounts		\$ 5,226,764	\$ 2,393,289	\$ 2,833,475
26	905.0 Miscellaneous Customer Accounts Expenses				
27	Total Customer Account Operations Expenses		\$ 11,943,221	\$ 8,535,176	\$ 3,408,045
28	CUSTOMER SERVICE & INFORM. EXPENSES		XXX	XXX	XXX
29	Operations				
30	907.0 Supervision		\$ 98,687	\$ 161,236	\$ (62,549)
31	908.0 Customer Assistance Expenses		\$ 3,758,389	\$ 2,771,781	\$ 986,608
32	909.0 Informational & Instructional Advertising Expenses		\$ 19,495	\$ 73,899	\$ (54,404)
33	910.0 Miscellaneous Customer Service & Informational Exp.				
34	Total Cust. Service & Inform. Operations Expenses		\$ 3,876,571	\$ 3,006,916	\$ 869,655
35	SALES EXPENSES		XXX	XXX	XXX
36	Operation				
37	911.0 Supervision				
38	912.0 Demonstrating and Selling Expenses		\$ 421,437	\$ (1,938)	\$ 423,375
39	913.0 Advertising Expenses				
40	914.0 (Reserved)				
41	915.0 (Reserved)				
42	916.0 Miscellaneous Sales Expenses				
43	Total Operation Sales Expenses		\$ 421,437	\$ (1,938)	\$ 423,375
44	ADMINISTRATIVE AND GENERAL EXPENSES		XXX	XXX	XXX
45	Operation				
46	920.0 Administrative and General Salaries		\$ 6,079,283	\$ 6,717,330	\$ (638,047)
47	921.0 Office Supplies and Expenses		\$ 2,142,554	\$ 1,710,110	\$ 432,444
48	922.0 Administrative Expenses Transferred-Credit		\$ (8,937,366)	\$ (7,552,893)	\$ (1,384,473)
49	923.0 Outside Service Employed		\$ 3,596,647	\$ 3,774,054	\$ (177,407)
50	924.0 Property Insurance		\$ 101,350	\$ 124,392	\$ (23,042)
51	925.0 Injuries and Damages		\$ 1,846,328	\$ 2,071,545	\$ (225,217)
52	926.0 Employee Pensions and Benefits		\$ 5,758,308	\$ 8,991,589	\$ (3,233,281)
53	927.0 Franchise Requirements				
54	928.0 Regulatory Commission Expenses		\$ 16,678	\$ 17,771	\$ (1,093)
55	929.0 Duplicate Charges-Credit				
56	930.1 General Advertising Expenses		\$ 1,520,026	\$ 1,312,471	\$ 207,555
57	930.2 Miscellaneous General Expenses		\$ 1,138,788	\$ 291,268	\$ 847,520
58	931.0 Rents		\$ 1,853,953	\$ 1,818,020	\$ 35,933
59	Total Administrative and General Operation Expenses		\$ 15,116,549	\$ 19,275,657	\$ (4,159,108)
60	Maintenance				
61	932.0 Maintenance of General Plant		\$ 120,365	\$ 162,177	\$ (41,812)
62	Total Administrative and General Maintenance Expenses		\$ 120,365	\$ 162,177	\$ (41,812)
63					
64	Total Gas Operation and Maintenance Expenses		\$ 170,434,942	\$ 133,307,385	\$ 37,127,557
65					
66	Total Gas Operation Expenses		\$ 157,789,852	\$ 121,524,639	\$ 36,265,213
67	Total Maintenance Expenses		\$ 12,645,090	\$ 11,782,746	\$ 862,344

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	-	\$ (1,015,729)	\$ 1,015,729
5	Local Property Taxes	-	\$ (130,776)	\$ 130,776
6	Public Utility Realty Tax	-	\$ (36,771)	\$ 36,771
7	State Capital Stock Tax	-	-	-
8	Other Taxes (specify) Payroll Tax	-	\$ (1,554,094)	\$ 1,554,094
9	Use Tax	-	\$ (208,866)	\$ 208,866
10	Miscellaneous Tax	-	\$ (2,933)	\$ 2,933
11	TOTAL	-	\$ (2,949,169)	\$ 2,949,169

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

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

Line No.	Type of Tax (a)	Account 165 Prepayments (b)	Account 190 Accumulated Def. Income Taxes (c)	Account 236 Accrued Taxes (d)	Account 409.1 Income Taxes Opr Income (e)
1	Federal Income Taxes	-	-	\$ (11,576,906)	\$ 11,576,906
2	State Income Taxes	-	-	\$ (3,674,779)	\$ 3,674,779
3	Local Income Taxes	-	-	-	-
4		-	-	-	-
5		-	-	-	-
6		-	-	-	-
7		-	-	-	-
8	Other Taxes (specify)	-	-	-	-
9		-	-	-	-
10		-	-	-	-
11	TOTAL	-	-	\$ (15,251,685)	\$ 15,251,685

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	\$ 284,059,715	\$ 284,059,715	-	-
2	Operating Expenses	\$ 195,957,814	\$ 195,957,814	-	-
3	Operating Taxes (Non-Income)	\$ 2,949,169	\$ 2,949,169	-	-
4	Interest & Other Expense	\$ 15,170,393	\$ 15,170,393	-	-
5	Pre-Tax Operating Income	-	-	-	-
	Total Line 1 Minus Lines 2-3-4	\$ 69,982,339	\$ 69,982,339	-	-
6	Other Income (Expense)	\$ 1,318,441	\$ 1,318,441	-	-
7	Pre Tax Book Income	-	-	-	-
	Total Lines 5+6	\$ 71,300,780	\$ 71,300,780	-	-
8	Permanent and Flow-Through Differ.	\$ 266,478	\$ 266,478	-	-
9	Temporary Differences	\$ (34,150,203)	\$ (34,150,203)	-	-
10	State Only Differences - Bonus/NOL	-	-	-	-
11	Subtotal	\$ 37,417,055	\$ 37,417,055	-	-
		-	-	-	-
12	State Tax at Current Rate	\$ 4,073,175	\$ 3,737,964	-	\$ 335,211
13	Adjustments to State Tax	\$ 106,292	\$ 106,292	-	-
14	Adjustments for St. Tax Rate Changes	-	-	-	-
15	State Tax Accrual	-	-	-	-
	Total Lines 12+13+14	\$ 4,179,467	\$ 3,844,256	-	\$ 335,211
16	Federal Taxable Income	-	-	-	-
	Total Line 11 Minus Lines 10-12-13	\$ 33,237,588	\$ 33,572,799	-	\$ (335,211)
17	Federal Tax at Current Rate	\$ 22,811,065	\$ 11,750,480	\$ 10,003,491	\$ 1,057,094
18	ITC Authorization	-	-	-	-
19	Adjustment for Fed. Tax Rate Changes	\$ (6,472,532)	-	-	\$ (6,472,532)
20	R & D Credits	-	-	-	-
21	IRS Audit Settlement	-	-	-	-
22	Tax Rate Change on Extraord. Activity	-	-	-	-
23	Other	\$ 360,873	\$ 360,873	-	-
		-	-	-	-
24	Federal Tax Accrual	-	-	-	-
	Total Lines 17 through 23	\$ 16,699,406	\$ 12,111,353	\$ 10,003,491	\$ (5,415,438)

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

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

Line No.	DEBITS Type of Tax (a)	Account 190 Accumulated Deferred Income Tax (b)	Account 282 Accumulated Deferred Income Taxes (c)	Account 283 Accumulated Deferred Income Taxes (d)	Account 410.1 Provision for Deferred Income Taxes (e)
1	Federal	-	\$ (19,026,440)	\$ (4,911,792)	\$ 23,938,232
2	State	-	-	\$ (1,557,565)	\$ 1,557,565
3	Other	-	-	-	-
4					
5					
6					
7	Total	-	\$ (19,026,440)	\$ (6,469,357)	\$ 25,495,797

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

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

Line No.	DEBITS Type of Tax (a)	Account 190 Accumulated Deferred Income Tax (b)	Account 282 Accumulated Deferred Income Taxes (c)	Account 283 Accumulated Deferred Income Taxes (d)	Account 411.1 Provision for Deferred Income Taxes (e)
1	Federal	-	\$ 9,022,949	\$ 10,511,306	\$ (19,534,255)
2	State	-	\$ -	\$ 1,136,584	\$ (1,136,584)
3	Other	-	-	-	-
4					
5					
6					
7	Total	-	\$ 9,022,949	\$ 11,647,890	\$ (20,670,839)

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

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

Line No.	Purchased From (a)	Point of Delivery (b)	B.T.U. Per Cu. Ft. (c)	Mcf (d)	Commodity Charges (e)	Other Charges (f)	Total (g)	Cost Per Unit (h)
1	801 Field Line Purchases			10,318,876	\$ 22,758,274	n/a	\$ 22,758,274	\$ 2.21
2								
3	803 Dominion Transmission Company	Allegheny, Beaver, Butler, Westmoreland			\$ 4,213,786	See Note	\$ 4,213,786	
4		Washington, Clarion, Erie, Potter						
5	Equitrans LP	Allegheny, Washington			\$ 69,372,562	See Note	\$ 69,372,562	
6	National Fuel Gas Supply	Butler, Mercer, Venango			\$ 729,755	See Note	\$ 729,755	
7	Dominion Field Services	Various Locations			\$ 13,873	See Note	\$ 13,873	
8	EQT Energy	Fixed Demand Charge (N/A)			\$ 11,882,788	See Note	\$ 11,882,788	
9	*Equitable Gas Company	Various Locations			\$ 6,600,709	See Note	\$ 6,600,709	
10	South Jersey Resources	Fixed Demand Charge (N/A)			\$ 56,424	See Note	\$ 56,424	
11	Peoples TWP Slease Farm	Various Locations			\$ 1,138,309	See Note	\$ 1,138,309	
12	Texas Eastern Transmission	Blair, Cambria, Somerset			\$ 2,139,651	See Note	\$ 2,139,651	
13	Spot Market Purchases			47,421,813	\$ 148,175,554	See Note	\$ 148,175,554	\$ 3.12
14	Total Pipeline Purchases			47,421,813	\$ 244,323,411		\$ 244,323,411	\$ 5.15
15								
16	804 City Gate Purchases			1,236,502	\$ 2,819,560		\$ 2,819,560	\$ 2.28
17								
18	805 Other Gas Purchases			4,777	\$ 100,180		\$ 100,180	\$ 20.97
19								
20	805 Purchased Gas Cost Adjustments			n/a	\$ 7,628,860		\$ 7,628,860	
21								
	Totals			58,981,968	\$ 277,630,285		\$ 277,630,285	\$ 4.71

Note: Included in Commodity Charges is \$96,147,856 recorded as Transmission and Compression of Gas by Others.

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

501. SALES FOR RESALE

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

Line No.	Sold To (a)	Point of Delivery (b)	BTU Per Cu. Ft. (c)	MCF CCF or Therms (d)	Commodity Charges (e)	Other Charges (f)	Total (g)	Revenue Per Unit (h)
1	American Power & Gas	Gas Sale in Place		4,707			\$ 11,948	\$ 2.54
2	ENGIE dba ThinkEnergy	Gas Sale in Place		4,539			\$ 11,632	\$ 2.56
3	PALMco	Gas Sale in Place		1,580			\$ 4,037	\$ 2.56
4	Reliant Energy	Gas Sale in Place		2,871			\$ 7,288	\$ 2.54
5	Vista Energy Marketing	Gas Sale in Place		197			\$ 738	\$ 3.75
6	Xoom Energy	Gas Sale in Place		3,515			\$ 8,922	\$ 2.54
7	American Power & Gas	Imbalance Sales		951			\$ 2,634	\$ 2.77
8	ARM Energy Managemen	Imbalance Sales		201			\$ 615	\$ 3.06
9	Direct Energy Bs. Mktg, LLC	Imbalance Sales		128,426			\$ 375,482	\$ 2.92
10	Dominion Energy Solutions	Imbalance Sales		47,011			\$ 140,504	\$ 2.99
11	ENGIE dba ThinkEnergy	Imbalance Sales		2			\$ 6	\$ 2.87
12	PALMco	Imbalance Sales		367			\$ 1,130	\$ 3.08
13	Snyder Brothers, Inc	Imbalance Sales		10			\$ 32	\$ 3.18
14	Sprague	Imbalance Sales		5,042			\$ 16,509	\$ 3.27
15	Supreme Energy, Inc.	Imbalance Sales		1,130			\$ 3,577	\$ 3.17
16	UGI Energy Services	Imbalance Sales		127,640			\$ 294,402	\$ 2.31
17	Xoom Energy	Imbalance Sales		153			\$ 422	\$ 2.76
18	U.S. Gain a Division of U.S. Venture Inc	NGPV - Sale for Resale		12,511			\$ 84,389	\$ 6.75
19	Hypatia Holdings	NGPV - Sale for Resale		268			\$ 2,193	\$ 8.18
20								
	Totals			341,121			\$ 966,459	\$ 2.83

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	54,548,056
6	Gas of Others Received for Transportation	60,532,142
7	Receipts of Respondent's Gas Transported or Compressed by Others	
8	Exchange Gas Received	1,381,616
9	Gas Received from Underground Storage	1,641,773
10	Other Receipts - Retainage	2,893,569
11		
12		
13		
14	Total Receipts:	120,997,156
15	GAS DELIVERED	
16	Natural Gas Sales:	
17	Local Distribution by Respondent	49,692,762
18	Main Line Industrial Sales	
19	Sales for Resale	
20	Interdepartmental Sales	
21		
21		
22	Total Sales	49,692,762
23	Deliveries of Gas Transported or Compressed for Others	60,532,142
24	Deliveries of Respondent's Gas for Trans. Or Compressed by Others	
25	Exchange Gas Delivered	1,029,565
26	Natural Gas used by Respondent	884,614
27	Natural Gas Delivered to Storage	1,450,909
28	Natural Gas for Franchise Requirements	
29	Other Deliveries: Off-system	2,340,282
30	Total Deliveries	115,930,274
31	UNACCOUNTED FOR	
32	Production System Losses - Gathering	2,773,144
33	Storage Losses	60,000
34	Transmission System Losses	
35	Distribution System Losses	1,142,240
36	Other Losses	1,091,499
37		
38	Total Unaccounted For	5,066,882
38	Total Deliveries and Unaccounted For	120,997,156

*Quantities reflect the physical flow of gas

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

- Report particulars for each underground gas storage project.
- 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.
- 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 Storage	
		Total On System	Murrysville	Colvin **	Total Off System	Equitrans ***	Dominion	National Fuel	Total PNG Storage	Total Off System	Equitrans	Dominion	Total Storage
(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)		
1	Storage Operations	MCF	MCF	MCF	MCF	MCF	MCF	MCF	MCF	MCF	MCF	MCF	
2	Gas Delivered to Storage												
1	January	0	0	0	0	0	0	0	0	0	0	0	
2	February	0	0	0	0	0	0	0	0	0	0	0	
3	March	124,240	124,240	0	0	0	0	124,240	0	0	0	124,240	
4	April	103,523	103,523	0	(13,999)	(121,413)	70,412	37,002	89,524	1,904,661	1,678,621	226,039	1,994,185
5	May	7,288	7,288	0	150,216	(79,466)	223,141	6,541	157,504	1,706,810	1,180,269	526,540	1,864,314
6	June	189,490	189,490	0	989,231	617,245	255,109	116,877	1,178,721	2,117,055	1,811,523	305,532	3,295,776
7	July	267,073	267,073	0	1,103,102	668,826	320,369	113,907	1,370,175	1,611,616	1,377,377	234,239	2,981,791
8	August	187,600	187,600	0	714,979	328,683	270,789	115,507	902,579	1,437,794	1,151,256	286,538	2,340,373
9	September	289,500	289,500	0	688,481	371,270	205,821	111,390	977,981	1,363,874	1,083,468	280,406	2,341,855
10	October	219,651	219,651	0	130,353	(121,290)	166,406	85,237	350,004	1,776,617	1,464,893	311,723	2,126,621
11	November	62,550	62,550	0	215,648	215,648	0	0	278,198	0	0	0	278,198
12	December	0	0	0	0	0	0	0	0	0	0	0	0
13	Totals	1,450,915	1,450,915	0	3,978,011	1,879,503	1,512,047	586,461	5,428,926	11,918,426	9,747,408	2,171,019	17,347,352
14	Gas Withdrawn From Storage												
15	January	406,881	406,881	0	1,322,209	870,563	276,611	175,035	1,729,090	3,282,947	2,861,030	421,917	5,012,037
16	February	247,490	247,490	0	955,843	753,804	66,786	135,253	1,203,333	2,297,658	1,804,043	493,614	3,500,991
17	March	170,503	170,503	0	153,417	(23,116)	71,073	105,460	323,920	2,112,412	1,725,056	387,356	2,436,332
18	April	242,825	242,825	0	156,093	156,093	0	0	398,918	0	0	0	398,918
19	May	212,273	212,273	0	432,692	0	432,692	0	644,965	0	0	0	644,965
20	June	44,088	44,088	0	0	0	0	0	44,088	0	0	0	44,088
21	July	5,225	5,225	0	0	0	0	0	5,225	0	0	0	5,225
22	August	5,589	5,589	0	0	0	0	0	5,589	0	0	0	5,589
23	September	5,000	5,000	0	0	0	0	0	5,000	0	0	0	5,000
24	October	18,502	18,502	0	91,217	91,217	0	0	109,719	0	0	0	109,719
25	November	5,684	5,684	0	68,426	(130,980)	127,945	71,461	74,110	1,694,350	1,502,942	191,407	1,768,460
26	December	277,717	277,717	0	554,717	85,225	342,316	127,176	832,434	3,027,785	2,552,354	475,431	3,860,219
27	Totals	1,641,777	1,641,777	0	3,734,614	1,802,806	1,317,423	614,385	5,376,391	12,415,151	10,445,425	1,969,726	17,791,542
28	Stored Gas End of Year-MCF	3,078,201	2,842,824	235,377	5,827,971	4,375,363	976,269	476,339	8,906,172	8,098,510	6,454,042	1,644,468	17,004,682
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)	3,161,841	2,926,464	235,377	5,827,971	4,375,363	976,269	476,339	8,989,812	8,098,510	6,454,042	1,644,468	17,088,322
31	Storage Capacity (Escl. Native Gas)-MCF	3,162,000	3,162,000	0	8,289,183	6,059,806	1,510,251	719,127	11,451,183	13,093,410	10,711,085	2,382,325	24,544,594
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	27,506	27,506	0									
36	Date of Maximum Day's Withdrawal		Apr 7, 2017	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 _____

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		44			
3	Productive Wells Drilled During the Year					
4	Oil Wells Restored to Productive Basis During Year					
5	Wells Purchased During the Year					
6	Wells Abandoned During the Year					
7	Wells Sold During the Year					
8						
9	Productive Wells at End of Year		44			
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					
15	Number of Acres Leased at End of Year					
16						
17	OIL WELLS					
18	Productive Wells at Beginning of Year		NONE			
19	Productive Wells Drilled During the Year					
20	Wells Abandoned and Sold During the Year					
21						
22	Productive Wells at End of Year					
23						
24						
25						
516. GAS LINES, METERS AND SERVICES						
26	Size of Pipe	Field Lines	Prod. Ext. Lines	Storage Lines	Distr. Mains	Transmission
27	Inches	M. Ft.	M. Ft.	M. Ft.	M. Ft.	M. Ft.
28	01"	0			0	0
29	02"	128			3,320	0
30	03"	201			4,278	1
31	04"	219			4,258	7
32	05"	31			70	0
33	06"	444			2,900	0
34	08"	554			1,684	99
35	10"	421			253	151
36	12"	150			646	234
37	14"	0			0	0
38	16"	48			391	120
39	20"	17			368	51
40	24"	0			187	0
41	30"	0			88	0
42	36"	0			22	0

Meters in Service at End of Year	<u>275,044</u>	Services at end of year, company owned	<u>255,775</u>
Meters in Stock or Shop at End of Year	<u>7,712</u>	Services at End of Year, Customer Owned	<u>None</u>

517. CUSTOMER GAS METERS

Line No.	(a)	Size (b)	Number of Meters			
			First of Year (c)	Added During Year (d)	Removed Or Disconnected During Year (e)	End of Year (e)
1	In residential use					
2						
3						
4						
5						
6						
7						
8						
9						
10	Total in residential use					
11	In commercial use					
12						
13						
14						
15						
16						
17						
18						
19						
20	Total in commercial use					
21	In industrial use					
22						
23						
24						
25						
26						
27						
28						
29						
30	Total in industrial use					
31	In public (municipal or government) use					
32						
33						
34						
35						
36						
37						
38						
39						
40	Total in public (municipal or government) use					
41	Total in use		274,301	4,220	3,477	275,044
42	In Stock		2,442	8,747	3,477	7,712
43						
44						
45						
46						
47						
48						
49						
50	Total in stock		2,442	8,747	3,477	7,712
51	Total all meters		276,743	12,967	6,954	282,756

METERS TESTED BY SIZES

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

*See page 42 (a)

2017 Sampling Plan

6 Meter Families Family Breakdown By Manufacturer 250 All Manufacturer 400 All B Meters PEGC		
	Population	Change
American 250	135,516	200
Rockwell 250	81,008	200
Sprague 250	14,643	125
Lancaster 250	15,410	125
All Manufacturer 400	3,617	80
B Meters	2,887	50
Total Sampling Changes		780
Total Sampling Meter Population 253,081		

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

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

Line No.	Account (a)	Number of Customers			Sales During Year			Revenues		
		Beginning of Year (b)	End of Year (c)	Average During Year (d)	Total MCF (e)	Total Operating Revenue (f)	MCF Per Customer (g)	Per Customer (h)	Per Unit (i)	
2	Metered Sales by Tariff Schedule									
3	Residential									
4	PA Retail - billed	226,426	225,133	224,987	18,506,888	\$ 183,111,827	82	\$ 814	\$ 9.89	
5	-unbilled				700,571	\$ 9,638,971				
6										
7										
8										
9										
10										
11										
12	Transportation	18,057	19,923	18,751	1,527,859	\$ 10,845,400	81	\$ 578	\$ 7.10	
13	-unbilled				81,915	\$ 526,760				
14	Total Residential Metered Sales	244,483	245,056	243,738	20,817,233	\$ 204,122,958	85	\$ 837	\$ 9.81	
15	Commercial									
16	PA Retail - billed	16,848	16,118	16,594	3,089,680	\$ 25,115,206	186	\$ 1,514	\$ 8.13	
17	-unbilled				158,050	\$ 1,709,862				
18										
19										
20										
21										
22										
23										
24	Transportation	3,920	4,614	5,041	7,695,893	\$ 24,107,274	1,527	\$ 4,782	\$ 3.13	
25	-unbilled				372,456	\$ 1,327,532				
26	Total Commercial Metered Sales	20,768	20,732	21,635	11,316,079	\$ 52,259,874	523	\$ 2,416	\$ 4.62	
27	Industrial									
28	PA Retail - billed	53	48	54	115,827	\$ 797,225	2,145	\$ 14,763	\$ 6.88	
29	-unbilled				3,645	\$ 34,110				
30										
31										
32										
33	Transportation	97	105	98	14,070,486	\$ 6,779,793	143,464	\$ 69,127	\$ 0.48	
34	Total Industrial Metered Sales	150	153	152	14,189,958	\$ 7,611,128	93,308	\$ 50,048	\$ 0.54	
35	Public									
36	Through Gathering Facilities	12	13	13	16,397,532	\$ 11,492,126				
37	Sales for Resale	14	13	13	341,121	\$ 966,459				
38	Other									
39										
40	Total Metered Sales	265,427	265,967	265,550	63,061,923	\$ 276,452,546	237	\$ 1,041	\$ 4.38	
41	Unmetered Sales-All Categories									
42	Other									
43	Total Unmetered Sales	-	-	-	-	-				
44	Total Sales of Gas	265,427	265,967	265,550	63,061,923	\$ 276,452,546	237	\$ 1,041	\$ 4.38	
45	Other Gas Revenues:									
46	Rent from Gas Property					\$ 227,655				
47	Interdepartmental Rents									
48	Operating Revenue Other Than Gas Sales					\$ 1,557,510				
49	Allowance to Customers									
50	Customers Forfeited Discounts & Penalties					\$ 1,612,680				
51	Miscellaneous Gas Revenues					\$ 4,209,324				
52	Total Other Gas Revenues	-	-	-	-	\$ 7,607,169				
53	Total Gas Operating Revenues	265,427	265,967	265,550	63,061,923	\$ 284,059,715				

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

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

Line No.	Classification According to Occupation (a)	Number at Year End (b)
1	Total Officials and Senior Manager Employees	11
2	Total Professional and Semiprofessional Employees	156
3	Total Business Office, Sales And Professional Employees	191
4	Total Clerical Employees*	66
5	Total Operators*	107
6	Total Construction, Installation and Maintenance Employees*	456
7	Total Building, Supplies and Motor Vehicle Employees*	7
8	All Other Employees Not Elsewhere Classified	
9	Total All Employees	994

****Includes Union Employees***

Peoples Division	154
Equitable Division	443

610. Territory Served - PENNSYLVANIA

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

County Code (a)	Serves County (b)	Name of Pennsylvania County (c)	Number Of Customers At End Of Year (d)	Average Number Of Customers During Year (e)
01	X	Adams	0	1
02	X	Allegheny	233,171	232,842
03	X	Armstrong	2,747	2,740
04		Beaver		
05		Bedford		
06		Berks		
07	X	Blair	0	1
08		Bradford		
09		Bucks		
10	X	Butler	2,495	2,454
11		Cambria		
12		Cameron		
13		Carbon		
14		Centre		
15		Chester		
16	X	Clarion	230	229
17		Clearfield		
18		Clinton		
19		Columbia		
20		Crawford		
21		Cumberland		
22		Dauphin		
23		Delaware		
24		Elk		
25		Erie		
26	X	Fayette	32	32
27		Forest		
28		Franklin		
29		Fulton		
30	X	Greene	4,872	4,894
31		Huntingdon		
32	X	Indiana	49	50
33	X	Jefferson	37	38
34		Juniata		
35		Lackawanna		
36		Lancaster		
37		Lawrence		
38		Lebanon		
39		Lehigh		
40		Luzerne		
41		Lycoming		
42		McKean		
43		Mercer		
44		Mifflin		
45		Monroe		
46		Montgomery		
47		Montour		
48		Northampton		
49		Northumberland		
50		Perry		
51		Philadelphia		
52		Pike		
53		Potter		
54		Schuylkill		
55		Snyder		
56		Somerset		
57		Sullivan		
58		Susquehanna		
59		Tioga		
60		Union		
61		Venango		
62		Warren		
63	X	Washington	15,181	15,124
64		Wayne		
65	X	Westmoreland	7,153	7,145
66		Wyoming		
67		York		
Totals			265,967	265,550
Total Population of Territory Served (Estimated)			2,597,005	

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

at:

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.

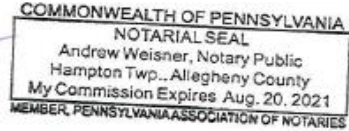
He believes that all other statements contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including January 1, 2017 to and including December 31, 2017.

Subscribed and sworn to and before me, a Notary Public

(Signature of affiant)

is and for the State and County above named, this 30th day of April, 2018

My commission expires 8/20/21 Andrew Weisner (Signature of officer authorized to administer oaths)



SUPPLEMENTAL OATH

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

Commonwealth of Pennsylvania

at:

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

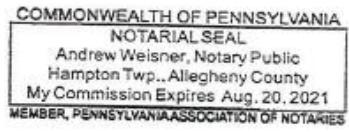
that he has carefully examined the foregoing report; that he believes that all statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above named respondent during the period of time from and including January 1, 2017 to and including December 31, 2017.

Subscribed and sworn to before me, a Notary Public

(Signature of affiant)

is and for the State and County above named, this 30th day of April, 2018

My commission expires 8/20/21 Andrew Weisner (Signature of officer authorized to administer oaths)



	A	B	C	D	E	F	G
1	COMPANY	CLASS	YEAREND	PLT_SVC	GAS_PLT	DEPR_AMORT	CWIP
2	PEOPLES NATURAL GAS LLC - EQUITABLE DIVISION	A	2,015	2,543,989,455	2,560,858,791	(600,238,787)	16,864,396

	H	I	J	K	L	M	N	O	P
1	PLT_AQ_ADJ	PLT_HLD_FU	MAT_SUPP	DEP_AM_RES	NET_BOOK	CIAC	PLAT_MTLS_OPR_SUPP	OP_REV	OP-EXP
2	284,894,602	0	3,092,463	(833,555,260)	1,710,434,195	#####	3,092,463	284,059,715	157,789,852

	Q	R	S	T	U	V
1	MAIN_EXP	DEP_EXP	AMORT_LTD_GAS_PLT	AMORT_OTR_GAS_PLT	AMORT_PL_AQ	TAXES_OTR_THAN_INC
2	12,645,090	23,199,632	0	0	0	2,949,169

	W	X	Y	Z	AA	AB	AC	AD
1	INC_TAXES_OPR_INC	TTL_TAXES	TTL_OP_EXP	OP_INCOME	OTHER_INC	OTH_DED	NET_INCOME	TTL_MFG_GAS_PROD_EXP
2	15,251,685	23,025,812	218,983,626	65,076,089	1,798,805	480,363	50,421,907	0

	AE	AF	AG	AH
1	TTL_NAT_GAS_PROD_EXP	TTL_EXPL_DEV_OPR_EXP	TTL_PROD_GATH_OPR_EXP	TTL_PROD_GATH_MAINT_EXP
2	0	0	1,372,637	2,169,425

	AI	AJ	AK	AL	AM
1	SUPP_OPR_EX_PUR_GAS	SUPP_MAINT_EX_PUR_GAS_EXP	GAS_UTILITY_OPR	OTR_GAS_SUPP_EXP	UNDERGRD_STOR_EXP
2	3,900,343	1,699,855	0	262,595	0

	AN	AO	AP	AQ	AR	AS
1	NAT_GAS_MAINT_EXP	TRANS_EXP_OPR	TRANS_EXP_MAINT	DISTR_EXP_OPR	DISTR_EXP_MAINT	CUST_ACCTS_EXP
2	0	229,636	1,013,336	8,870,829	9,341,964	11,943,221

	AT	AU	AV	AW	AX	AY
1	CUST_SVE_INFO_EXP	SALES_EXP	ADM_GENL_EXP_OPR	ADM_GENL_EXP_MAINT	TTL_RECEIPTS_MCF	UNACCT_GAS_MCF
2	3,876,571	421,437	15,116,549	170,434,942	120,997,156	#REF!

	AZ	BA	BB	BC	BD	BE
1	TRANSPORTATION	DISTR_MAINS_M-FT	TRANS_MAINS_M_FT	SERV_EOY_CO_OWNED	RES_MET_CUST	COMM_MET_CUST
2	1,029,565	88	0	255,775	245,056	20,732

	BF	BG	BH	BI	BJ	BK
1	IND_MET_CUST	OTR_MET_CUST	TOTAL_MET_CUST	TOTAL_UNMET_CUST	TOTAL_TRANS_CUST	TOTAL_CUST
2	153	26	0	0	24,642	0

	BL	BM	BN	BO	BP	BQ	BR
1	TTL_RES_REV	RES_MCF_MET	AVG_RES_CUST	TTL_COMM_REV	COMM_MCF_MET	AVG_COMM_CUST	TTL_IND_REV
2	204,122,958	20,817,233	243,738	52,259,874	11,316,079	21,635	7,611,128

	BS	BT	BU	BV	BW	BX	BY
1	IND_MCF_MET	AVG_IND_CUST	TTL_TRANS_REV	AVG_TRANS_CUST	TTL_OTHER_REV	AVG_OTHER_CUST	RES_REV_MET
2	14,189,958	152	42,259,227	23,890	12,458,586	26	204,122,958

	BZ	CA	CB	CC
1	TOTAL_REV_UNMET	AV_RES_USE	AV_RES_BILL	TTL_ALL_EMPLOYEES
2	0	85	10	994