

**GAS ANNUAL REPORT
OF**

PEOPLES NATURAL GAS COMPANY LLC - PEOPLES DIVISION

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

**FOR THE
YEAR ENDED DECEMBER 31, 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 600, Pittsburgh, Pennsylvania 15212
Karen.R.Worcester@peoples-gas.com
412-208-6594**

www.peoples-gas.com

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GENERAL INSTRUCTIONS

1. The completed original and an electronic (e-mail) copy of this report shall be filed with the Pennsylvania Commission by the 30th of April at the following addresses:
ra-PUCFinacial@pa.gov
Pennsylvania Public Utility Commission,
400 North Street, Harrisburg, Pennsylvania, 17120
2. All Natural Gas Distribution Companies subject to the jurisdiction of the Pennsylvania Public Utility Commission, upon which this report is served are required by statute to complete and file this report. The statute further provides that when any such report is defective or believed to be erroneous, the reporting corporation shall be duly notified and given a reasonable time within which to make the necessary amendments or corrections. All data comprising this report shall be submitted in electronic and permanent form.
3. All accounting terms and phrases used in this form are to be interpreted in accordance with the effective applicable Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission Title 18 under "Part 201-Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the Provisions of the Natural Gas Act", (18 CFR Part 201). Whenever the term respondent is used, it shall mean the reporting company.
4. Standard accounting procedures will apply in determining the nature of any entry (e.g., Uncollectibles, a revenue item, is normally a debit entry, and should be entered as a "positive" number unless the reported balance is a credit). Entries of a reverse or contrary character shall be indicated by parenthesis around the number.
5. If the report is made for a period less than the calendar year, the period covered must be clearly stated on the front cover and elsewhere throughout the report where the period covered is shown. When operations cease during the year because of the disposition of property, the balance sheet and supporting schedules should consist of balances and items immediately prior to transfer (for accounting purposes). If the books are not closed as of that date, the data in the report should nevertheless be complete, and the amounts reported should be supported by information set forth in, or as part of, the books of account.
6. All instructions shall be followed and each question shall be answered fully and accurately. Sufficient answers shall appear to show that no question or schedule has been overlooked. The expression "none" or "not applicable" shall be given as the answer to any particular inquiry or schedule where it truly and completely states the fact. Unless otherwise indicated, no information will be accepted which incorporates by reference information from another document or report. Where information called for herein is not given, state fully the reason for its omission.
7. Extra copies of any page will be furnished upon request. If it is necessary or desirable to insert additional statements for the purpose of further explanation of accounts or schedules, they shall be legibly made on paper of durable quality and shall correspond to this form in size of page and width of margin. Additional sheets, ruled either vertically or horizontally, will be furnished on request. Inserts, if any, should be appropriately identified with the schedules to which they relate.
8. If the gas distribution service provider conducts operations both within and outside the Commonwealth of Pennsylvania, data should be reported so that there will be shown the number of subscribers within this state, and (separately by accounts) the operating revenues from sources within this state, and the plant investment as of the end of the year within the state.
9. Whenever schedules call for comparison of figures of a previous year, the figures reported must be based upon those shown by the annual report of the previous year or an appropriate explanation given why different figures were used.
10. Throughout the report, money items shall be shown in units of dollars adjusted to accord with footings. Omitting cents does not apply, however, to items in which cents are of significance, as for instance, in averages and in unit costs.
11. If this report is not completed electronically, the name of the respondent and the year to which the report relates shall be inserted on the top of each page.

GENERAL INFORMATION

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

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

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

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

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

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

None

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

Natural gas service in the Commonwealth of Pennsylvania

IMPORTANT CHANGES DURING YEAR

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

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

1 through 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 - \$216,413

Estimated average annual effect on operating expenses - \$1,298,481

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

Estimated effect on 2017 operating expenses - \$755,161

Estimated average annual effect on operating expenses - \$906,193

8 through 10 - None

DEFINITIONS

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

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

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

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

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

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

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

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

DEFINITIONS**(Continued)**

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

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

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

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

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

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

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

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

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

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

PEOPLES NATURAL GAS COMPANY LLC - TOTAL COMPANY

100. VOTING POWERS AND ELECTIONS

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

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

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

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

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

N/A

4. Is cumulative voting permitted? Yes/No

N/A

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

N/A

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

N/A

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

N/A

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

N/A

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

N/A

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

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

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

102. COMPANIES CONTROLLED BY RESPONDENT

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

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Street Address (c)	City (d)	State (e)	Zip (f)	Voting % of Stock (g)	Footnote Ref. (h)
1	None							
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16							0%	

PEOPLES NATURAL GAS COMPANY LLC - TOTAL COMPANY

103. Directors

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

Line No.	Directors Name and Title (a)	Principal Business Address					Term Began (i)	Term End (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
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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
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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	0	(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				-
15	Acquisition Adjustments	206			-
16	116.0 Other Gas Plant Adjustments				-
17	117.1 Gas Stored-Base Gas				-
18	117.2 System Balancing Gas				-
19	117.3 Gas Stored in Reservoirs and Pipelines-Noncurrent				-
20	117.4 Gas Owed to System Gas				-
21	118.0 Other Utility Plant Adjustments				-
22	119.0 Accumulated Provision for Depreciation and Amortization of Other				-
23	Utility Plant	206			-
24	TOTAL UTILITY PLANT		\$ 1,841,873,412	\$ 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	0
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	23,137,168	5,296,822
22	164.2 Liquefied Natural Gas Stored				-
23	164.3 Liquefied Natural Gas Held for Processing				-
24	165.0 Prepayments		7,997,127	6,037,017	(1,960,110)
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	67,604,871	26,258,766
30	174.0 Miscellaneous Current and Accrued Assets		1,754,235	3,117,952	1,363,717
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 Recquired 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	211.0 Miscellaneous Paid-In Capital		794,774,910	794,774,910	-
14	212.0 Installments Received on Capital Stock				-
15	213.0 Discount on Capital Stock				-
16	214.0 Capital Stock Expense				-
17	215.0 Appropriated Retained Earnings				-
18	216.0 Unappropriated Retained Earnings		62,339,536	123,194,650	60,855,114
19	216.1 Unappropriated Undistributed Subsidiary Earnings				-
20	217.0 Reacquired Capital Stock				-
21					
22	TOTAL PROPRIETARY CAPITAL		\$ 857,114,446	\$ 917,969,560	\$ 60,855,114
23	LONG-TERM DEBT				
24	221.0 Bonds	231	\$ -	\$ -	\$ -
25	222.0 Reacquired Bonds	231			-
26	223.0 Advances from Associated Companies		643,148,600	873,076,100	229,927,500
27	224.0 Other Long-term Debt	231			-
28	225.0 Unamortized Premium on Long-Term Debt				-
29	226.0 Unamortized Discount on Long-Term Debt-Debit				-
30	TOTAL LONG TERM DEBT		\$ 643,148,600	\$ 873,076,100	\$ 229,927,500
31					
32	OTHER NONCURRENT LIABILITIES				
33	227 Obligation Under Capital Leases-NonCurrent		\$ -	\$ -	\$ -
34	228.1 Accumulated Provision for Property Insurance				-
35	228.2 Accumulated Provision for Injuries and Damages		814,547	814,547	-
36	228.3 Accumulated Provision for Pensions and Benefits		24,410,105	26,515,259	2,105,154
37	228.4 Accumulated Miscellaneous Operating Provisions		113,214	95,894	(17,320)
38	229 Accumulated Provision for Rate Refunds				-
39	230 Asset Retirement Obligations		37,946,060	38,378,627	432,567
40	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	231.0 Notes Payable		\$ -	-	\$ -
3	232.0 Accounts Payable		125,839,448	106,069,134	(19,770,314)
4	233.0 Notes Payable to Associated Companies		210,822,323	71,219,379	(139,602,944)
5	234.0 Accounts Payable to Affiliated Companies		6,177,866	7,813,546	1,635,680
6	235.0 Customers' Deposits-Billing		3,916,356	3,059,417	(856,939)
7	236.1 Accrued Taxes, Taxes Other Than Income		3,940,317	8,963,336	5,023,019
8	236.2 Accrued Taxes, Income Taxes				-
9	237.1 Accrued Interest on Long-term Debt				-
10	237.2 Accrued Interest on Other Liabilities		41,178	39,702	(1,476)
11	238.0 Dividends Declared				-
12	239.0 Matured Long-term Debt				-
13	240.0 Matured Interest				-
14	241.0 Tax Collections Payable		572,120	606,314	34,194
15	242.0 Miscellaneous Current and Accrued Liabilities		8,186,810	11,664,271	3,477,461
16	243.0 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	252.0 Customer Advances for Construction		\$ -	\$ 164,336	\$ 164,336
21	253.0 Other Deferred Credits		18,997,700	16,348,962	(2,648,738)
22	254.0 Other Regulatory Liabilities		1,442,041	98,267,837	96,825,796
23	255.0 Accumulated Deferred Investment Tax Credits				-
24	256.0 Deferred Gains from Disposition of Utility Plant				-
25	257.0 Unamortized Gain on Reacquired Debt				-
26	281.0 Accum. Deferred Income Taxes-Assume. Amortization Property				-
27	282.0 Accum. Deferred Income Taxes-Other Property		240,968,752	182,658,308	(58,310,444)
28	283.0 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	\$ -	\$ -	\$ -	\$ -	\$ -
3	302 Franchises & Consents	-	-	-	-	-
4	303 Other Plant and Miscellaneous Equipment	71,229,682	4,658,654			75,888,336
5	Total Intangible Plant	\$ 71,229,682	\$ 4,658,654	\$ -	\$ -	\$ 75,888,336
6	MANUFACTURED GAS PRODUCTION PLANT	XXX	XXX	XXX	XXX	XXX
7	304 Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -
8	305 Structures and Improvements	-	-	-	-	-
9	306 Boiler Plant Equipment	-	-	-	-	-
10	307 Other Power Equipment	-	-	-	-	-
11	308 Coke Ovens	-	-	-	-	-
12	309 Infiltration Galleries and Tunnels	-	-	-	-	-
13	310 Producer Gas Equipment	-	-	-	-	-
14	311 Liquefied Petroleum Gas Equipment	-	-	-	-	-
15	312 Oil Gas Generating Equipment	-	-	-	-	-
16	313 Generating Equipment-Other Processes	-	-	-	-	-
17	314 Coal, Coke and Ash Handling Equipment	-	-	-	-	-
18	315 Catalytic Cracking Equipment	-	-	-	-	-
19	316 Other Reforming Equipment	-	-	-	-	-
20	317 Purification Equipment	-	-	-	-	-
21	318 Residential Refining Equipment	-	-	-	-	-
22	319 Gas Mixing Equipment	-	-	-	-	-
23	320 Other Equipment	-	-	-	-	-
23	Total Gas Manufacturing Plant	\$ -	\$ -	\$ -	\$ -	\$ -
24	NATURAL GAS PRODUCTION & GATHERING PLANT	XXX	XXX	XXX	XXX	XXX
25	325.1 Producing Lands	\$ 75,600	\$ -	\$ -	\$ -	\$ 75,600
26	325.2 Producing Leaseholds	10,016				10,016
27	325.3 Gas Rights	9,120				9,120
28	325.4 Rights of Way	1,345,527				1,345,527
29	325.5 Other Land and Land Rights	37,291				37,291
30	326 Other Plant and Miscellaneous Equipment	-	-	-	-	-
31	327 Field Compressor Station Structures	2,011,193				2,011,193
32	328 Field Measuring & Regulating Station Structures	45,916				45,916
33	329 Other Structures	1,894,903	33,443	2,381		1,925,965
34	330 Producing Gas Wells-Well Construction	9,221				9,221
35	331 Producing Gas Wells-Well Equipment	2,984				2,984
36	332 Field Lines	34,956,263	469,532	103,536		35,322,259
37	333 Field Compressor Station Equipment	27,791,232	1,242,620	1,199,959		27,833,893
38	334 Field Measuring & Regulating Station Equipment	1,596,930		43,778		1,553,152
39	335 Drilling & Cleaning Equipment	18,642				18,642
40	336 Purification Equipment	-	-	-	-	-
41	337 Other Equipment	124,129				124,129
42	338 Unsuccessful Exploration & Development Costs	-	-	-	-	-
43	339 Production Equipment Held under Asset Retirement Obligation	648,294				648,294
44	Total Natural Gas Production & Gathering Plant	\$ 70,577,261	\$ 1,745,595	\$ 1,349,654	\$ -	\$ 70,973,202
45	PRODUCTS EXTRACTION PLANT	XXX	XXX	XXX	XXX	XXX
46	340 Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -
47	341 Other Plant and Miscellaneous Equipment	-	-	-	-	-
48	342 Extraction & Refining Equipment	-	-	-	-	-
49	343 Pipe Lines	-	-	-	-	-
50	344 Extracted Product Storage Equipment	-	-	-	-	-
51	345 Compressor Equipment	-	-	-	-	-
52	346 Gas Measuring and Regulating Equipment	-	-	-	-	-
53	347 Other Equipment	-	-	-	-	-
54	Total Products Extraction Plant	\$ -	\$ -	\$ -	\$ -	\$ -
54	UNDERGROUND STORAGE PLANT	XXX	XXX	XXX	XXX	XXX
55	350.1 Land	\$ 16,824	\$ -	\$ -	\$ -	\$ 16,824
56	350.2 Rights of Way	46,800				46,800
57	351 Structures and Improvements	1,745,106	52,908	32,021		1,765,993
58	352 Wells	1,047,294				1,047,294
59	352.1 Storage Leaseholds and Rights	182,671				182,671
60	352.2 Reservoirs	433,138				433,138
61	352.3 Nonrecoverable Natural Gas	205,251				205,251
62	353 Lines	2,134,446				2,134,446

205. UTILITY PLANT IN SERVICE - Account No. 101.0

Line No.	Account Number and Title (a)	Balance Previous Year (b)	Additions (c)	Retirements (d)	Adjustments +/- (e)	Balance End of Year (f)
62	354 Compressor Station Equipment	7,577,558	14,741	17,856		7,574,443
63	355 Measuring and Regulating Equipment	75,749				75,749
64	356 Purification Equipment	-				-
65	357 Other Equipment	30,184				30,184
66	358 Underground Storage Equipment Held under Asset Retirement Obligation	18,455				18,455
67	Total Underground Storage Plant	\$ 13,513,476	\$ 67,649	\$ 49,877	\$ -	\$ 13,531,248
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	\$ 192,966				\$ 192,966
92	365.2 Rights of Way	2,196,467	85,121			2,281,588
93	366 Structures and Improvements	1,414,932	150,349	9,327		1,555,954
94	367 Mains	104,991,570	9,976,831	399,564		114,568,837
95	368 Compressor Station Equipment	-				-
96	369 Measuring and Regulating Station Equipment	17,049,295	10,316,806	354,783		27,011,318
97	370 Communication Equipment	-				-
98	371 Other Equipment	1,634,258	637,633	25,090		2,246,801
99	372 Transmission Equipment Held under Asset Retirement Obligation	653,478				653,478
100	Total Transmission Plant	\$ 128,132,966	\$ 21,166,740	\$ 788,764	\$ -	\$ 148,510,942
101	DISTRIBUTION PLANT	XXX	XXX	XXX	XXX	XXX
102	374 Land & Land Rights	\$ 4,363,720	\$230,601	\$64		\$ 4,594,257
103	375 Structures and Improvements	21,972,732	366,119	98,874		22,239,977
104	376 Mains	565,968,692	43,312,162	853,651		608,427,203
105	377 Compressor Station Equipment	-				-
106	378 Measuring & Regulating Station Equipment-General	29,406,881	5,342,967	587,975		34,161,873
107	379 Measuring & Regulating Station Equipment-City Gate C. St.	-				-
108	380 Services	224,676,573	11,014,687	468,124		235,223,136
109	381 Meters	35,046,263	9,154,615	2,298,457		41,902,421
110	382 Meter Installations	55,078,679	1,754,554	330,227		56,503,006
111	383 House Regulators	-				-
112	384 House Regulatory Installations	-				-
113	385 Industrial Measuring and Regulating Station Equipment	8,162,436	1,449,997	78,071		9,534,362
114	386 Other Property on Customers' Premises	77,720				77,720
115	387 Other Equipment	6,282,973	2,050,354	177,007		8,156,320
116	388 Distribution Equipment Held under Asset Retirement Obligation	3,176,819			(81,631)	3,095,188
117	Total Distribution Plant	\$ 954,213,488	\$ 74,676,056	\$ 4,892,450	\$ (81,631)	\$ 1,023,915,463
118	GENERAL PLANT	XXX	XXX	XXX	XXX	XXX
119	389 Land & Land Rights	\$ 84,885				\$ 84,885
120	390 Structures and Improvements	4,152,249	686,187			4,838,436
121	391 Office Furniture & Equipment	9,970,586	819,634	1,311,808		9,478,412
122	392 Transportation Equipment	27,062,329	8,856,031	2,215,452		33,702,908
123	393 Stores Equipment	7,200				7,200
124	394 Tools & Garage Equipment	642,940	4,400			647,340
125	395 Laboratory Equipment	-				-
126	396 Power Operated Equipment	8,169,157	1,621,300	1,528,772		8,261,685
127	397 Communication Equipment	11,086,645	614,300	12,380		11,688,565
128	398 Miscellaneous Equipment	161,721				161,721
129	399 Other Tangible Property	-				-
130	Total General Plant	\$ 61,337,712	\$ 12,601,852	\$ 5,068,412	\$ -	\$ 68,871,152
131	Total Plant	\$ 1,299,004,585	\$ 114,916,546	\$ 12,149,157	\$ (81,631)	\$ 1,401,690,343

**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	\$ 478,036,675	\$ 478,036,675	\$ -	\$ -	\$ -
2	Credits During Year	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
3	Depreciation Provisions charged to:	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
4	403. Depreciation	29,140,580	29,140,580			
5	413. Income from Utility Plant Leased to Others	10,322,204	10,322,204			
6		-				
7		-				
8		-				
9		-				
10	Total Depreciation Provisions	\$ 39,462,784	\$ 39,462,784	\$ -	\$ -	\$ -
11	Recoveries from Insurance	-	0			
12	Salvage Realized from Retirements	229,344	229,344			
13	Other Credits (Describe)					
14	ARO Adjustment	202,608	202,608			
15		-	0			
16		-	0			
17		-	0			
18	Total Credits During Year	\$ 431,952	\$ 431,952	\$ -	\$ -	\$ -
19	Total Credits	\$ 39,894,736	\$ 39,894,736	\$ -	\$ -	\$ -
20	Debits During Year	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
21	Retirement of Utility Plant	12,149,157	12,149,157			
22	Cost of Removal	3,648,177	\$3,648,177			
23	Other Debits (Describe)		0			
24		-	0			
25		-	0			
26		-	0			
27		-	0			
28	Total Debits During Year	\$ 15,797,334	\$ 15,797,334	\$ -	\$ -	\$ -
29	Balance at End of Year	\$ 502,134,078	\$ 502,134,078	\$ -	\$ -	\$ -

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	\$ 107,533,338				\$ 107,533,338
7						
8						

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

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

Annual accrual rates were developed in a depreciation study made by Gannett Fleming Valuation and Rates Consultants, Inc., based on the plant-in-service balance at December 31, 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.

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

<u>Plant Acct. Number</u>	<u>Annual Accrual Rate Current Year</u>	<u>Plant Acct. Number</u>	<u>Annual Accrual Rate Current Year</u>
<u>Production System</u>		<u>Transmission System</u>	
32541001	1.04	36521001	1.04
32701001	2.18	36601001	0.00
32803001	2.55	36602001	1.71
32901001	1.84	36603001	0.00
33101001	0.00	36701001	1.30
33102001	0.00	36901001	2.76
33201001	1.51	36902001	2.76
33301001	2.38	36903001	2.76
33401101	6.30	37101001	3.67
33401201	12.19		
33404101	0.00	<u>Distribution System</u>	
33404201	2.49	37404001	1.34
33406101	0.93	37501001	1.69
33406201	0.09	37502001	1.68
33502001	0.00	37503201	3.21
33701001	4.54	37601001	1.37
33703001	4.54	37602001	1.37
33001001	Depl	37801001	2.09
32521001	0.00	37802001	2.09
32511001	1.45	38001001	1.86
		38003001	1.86
		38101001	3.62
<u>Storage System</u>		38201001	2.24
35011001	19.38	38203001	2.24
35021001	1.31	38501001	2.06
35102001	0.94	38502001	2.06
35103001	0.94	38503001	2.06
35104001	0.94	38601001	2.79
35201001	0.00	38701001	*
35202001	0.00		
35211001	0.00	<u>General System</u>	
35212001	0.00	38903001	0.90
35221001	2.23	39005001	1.34
35231001	0.00	39101001	*
35301001	1.33	39102001	*
35401001	2.88	39103001	*
35501001	0.00	39104001	*
35502001	0.00	39201101	23.85
35701001	0.00	39202101	8.34
		39202201	0.00
		39203101	6.16
		39205101	2.41
		39205201	0.00
		39205301	0.00

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

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

<u>Plant Acct. Number</u>	<u>Annual Accrual Rate Current Year</u>
<u>General System (Continued)</u>	
39205301	0.00
39205401	0.00
39205501	0.00
39301001	*
39401001	*
39402001	*
39403001	*
39601301	8.35
39701001	*
39702001	*
39704001	*
39705001	*
39801001	*

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

208. CONSTRUCTION WORK IN PROGRESS - Account No. 107

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

Line No.	Description of Work (a)	Balance End of Year (b)	Estimate Total Cost of Construction (c)	Projected In-Service Date (d)
1	Projects greater than \$300,000.00:			
2	<i>Project Number</i> <i>Project Description</i>			
3	SW.PNG.MIAGENT.PH1.2 SW.PNG.MIAGENT.PH1.2	\$2,032,964	\$4,209,628	Dec 2018
4	SW.PNG.MOBILEMAP.2 SW MOBILE MAP RE-PLATFORM - IN	\$349,417	\$375,000	Jun 2018
5	SW.PNG.PORTAL PH3.2 Software-ENHANCE PORTAL PH3- I	\$1,011,657	\$1,016,007	Jan 2018
6	SW.PNG.TIME.ATTEND.2 SW TIME & ATTENDANCE - IN-HOUS	\$388,043	\$582,305	Jun 2018
7	SW.PNG.WFO PH2.2 SW.WORKFORCE OPT PH2-In-House	\$1,095,131	\$1,193,394	Jan 2018
8	55916.1.3 ST151 INST CHILLER	\$322,128	\$355,000	May 2018
9	55563.1.2 XS335 REVISE M&R ADD BLDG	\$418,310	\$1,100,000	Apr 2018
10	55851.1.1 TP7100 INST CATHODIC PROTECTIO	\$317,266	\$396,000	Aug 2018
11				
12				
13				
14				
15				
16				
17				
18				
19	SUBTOTAL	\$ 5,934,916	\$ 9,227,334	
20				
21	Remaining Projects:			
22	Production	\$106,347	\$159,521	Jun 2018
23	Storage	\$0	\$0	Jun 2018
24	Transmission	\$821,328	\$1,231,992	Jun 2018
25	Distribution	\$5,764,471	\$8,646,707	Jun 2018
26	General	\$181,046	\$271,569	Jun 2018
27	Intangible	\$380,804	\$571,206	Jun 2018
28				
29				
30	TOTALS	\$ 13,188,912	\$ 20,108,329	

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

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

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Book Costs* Beginning of Year (d)	Principal Amount or No. of Shares (e)	Book Cost End of Year (f)	Revenues For Year (g)	Gain or Loss From Invest Disposed of (h)
1	Account 124 Other Investments							
2								
3	Western PA Development Credit Corp	06/01/87		\$ 1	5,000 shares	\$ 1		
4								
5	PA Development Credit Corp	03/27/64		1	1,500 shares	1		
6								
7	Strategic Investment Fund Partners							
8	Limited Partnership - Class C Partner	05/01/02		300,000	300 units	300,000		
9	Limited Partnership - Class C Partner	05/01/03		300,000	300 units	300,000		
10	Limited Partnership - Class C Partner	05/01/04		300,000	300 units	300,000		
11	Limited Partnership - Class C Partner	05/01/05		300,000	300 units	300,000		
12	Limited Partnership - Class C Partner	05/01/06		300,000	300 units	300,000	\$ 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	State Relocations				\$423,976	\$429,247
2	Pooling and Metering/Production and Gathering				\$1,790,530	\$1,810,421
3	Damages/Relocations				\$1,177,537	\$1,886,076
4	Employee Appliance Purchase Program				\$0	\$0
5	Miscellaneous				\$1,306,186	\$2,740,964
6						
7	Total	0	0	0	\$4,698,229	\$6,866,708

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

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

Line No.	Name of Associated Company (a)	Date of Issue (b)	Date of Maturity (c)	Amount End of Year (d)	Interest Rate (e)	Amount (f)
1	PNG Companies LLC - Demand Note	6/8/2017	6/8/2022	\$ 71,219,379	Variable	\$ 2,037,542
2						
3						
4						
5						
6						
7						
8						

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	Gas Sold		18,801,224
11	Convenience payments		74,194
12			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	\$ 17,210	\$ 16,737	(473)
2	Compressor Station Parts	798,336	757,987	(40,349)
3	Corrosion Protection	36,795	28,239	(8,556)
4	Gas Measuring Equipment	117,746	114,193	(3,553)
5	Pipe	1,199,003	1,309,078	110,075
6	Tubing	236,557	209,855	(26,702)
7	Valves	139,644	124,887	(14,757)
8	Misc.	5,771	3,583	(2,188)
9	Regulators	11,805	16,781	4,976
10				
11				
12				
13				
14				
15				
16				
17	Total	\$ 2,562,867	\$ 2,581,340	\$ 18,473

PEOPLES NATURAL GAS COMPANY LLC - TOTAL COMPANY**216. UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND UNAMORTIZED PREMIUM ON DEBT (Accounts 181, 225)**

- 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.
- Show premium amounts in red or by enclosure in parenthesis
- In column (b) show the principal amount of bonds or other long-term debt originally issued.
- In column (c) show the discount and expense or premium with respect to the amount of bonds or other long-term debt originally issued.
- 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.
- 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.
- 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

217. EXTRAORDINARY PROPERTY LOSSES (Account 182)

- Report below the information indicated concerning this account, grouping the items by departments, and showing totals for each department.
- 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								0

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									
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32									
33									
34									
35	TOTAL			0	0		0	0	0

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

**400. INCOME STATEMENT
REVENUES AND EXPENSES**

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

Line No.	Account Number and Title (a)	Schedule Page No. (b)	Balance End of Current Year (c)	Balance End of Previous Year (d)	Increase/Decrease (e)
1	SALES OF GAS				
2	480.0 Residential Sales	600	\$ 223,081,910	\$ 185,568,878	\$ 37,513,032
3	481.0 Commercial and Industrial Sales	600	41,634,291	33,603,117	8,031,174
4	482.0 Other Sales to Public Authorities	600			-
5	Sub Total Sales of Gas		\$ 264,716,201	\$ 219,171,995	\$ 45,544,206
6					
7					
8	REVENUES FROM TRANSPORTATION OF GAS OF OTHERS				
9	489.1 Through Gathering Facilities		\$ -	\$ -	\$ -
10	489.2 Through Transmission Facilities				-
11	489.3 Through Distribution Facilities		103,404,569	100,190,608	3,213,961
12	489.4 Revenues from Storing Gas of Others				-
13	Sub Total Transportation Revenue		\$ 103,404,569	\$ 100,190,608	\$ 3,213,961
14					
15	TOTAL SALES AND TRANSPORTATION REVENUE ¹		\$ 368,120,770	\$ 319,362,603	\$ 48,758,167
16					
17	OTHER OPERATING REVENUES				
18	483.0 Sales for Resale	501	\$ 4,275,944	\$ 330,008	\$ 3,945,936
19	484.0 Interdepartmental Sales	600			-
20	485.0 Intracompany Transfers	600			-
21	487.0 Forfeited Discounts	600	2,463,310	2,790,290	(326,980)
22	488.0 Miscellaneous Service Revenues	600	1,706,823	1,728,901	(22,078)
23	490.0 Sales of Products Extracted from Natural Gas				-
24	491.0 Revenues from Natural Gas Processed by Others				-
25	492.0 Incidental Gasoline and Oil Sales				-
26	493.0 Rent from Gas Property	600		351	(351)
27	494.0 Interdepartmental Rents	600			-
28	495.0 Other Gas Revenues	600	14,850,610	14,960,678	(110,068)
29	496.0 Provision for Rate Refunds				-
30	Sub Total Other Operating Revenues		\$ 23,296,687	\$ 19,810,228	\$ 3,486,459
31					
32	TOTAL REVENUES		\$ 391,417,457	\$ 339,172,831	\$ 52,244,626
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44	¹This line - Total Sales and Transportation Revenue - is to be reported in, and should				
45	match up with, Section 2 of the Revised Annual Assessment Report (Form GAO-17)				

**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		\$ 242,002,919	\$ 196,329,512	\$ 45,673,407
3	402 Maintenance Expenses		25,736,170	26,322,830	(586,660)
4	403 Depreciation Expenses		29,140,580	27,432,833	1,707,747
5	404.0 Amort. Of Intangible Plant		10,318,572	9,664,932	653,640
6	404.1 Amort. & Depletion of Prod. Natural Gas Land & Rights				-
7	404.2 Amort. Of Underground Storage Land & Land Rights		3,632	2,226	1,406
8	404.3 Amort. Of Other Limited-Term Gas Plant				-
9	405.0 Amortization of Other Gas Plant				-
10	406.0 Amortization of Gas Plant Acquisition Adjustments				-
11	407.1 Amort. Of Prop. Losses, Unrec. Plant & Reg. Study C.				-
12	407.2 Amortization of Conversion Expense				-
13	407.3 Regulatory Debits				-
14	407.4 Regulatory Credits				-
15	408.1 Taxes Other Than Income Taxes, Utility Opr. Income	408	5,569,553	5,154,147	415,406
16	409.1 Income Taxes, Utility Operating Income	409	(601,355)	(2,405,620)	1,804,265
17	410.1 Provision for Deferred Income Taxes, Ut. Opr. Income	411	55,451,315	39,892,924	15,558,391
18	411.1 Prov. For Def. Income Taxes-Credit, Ut. Opr. Income	412	(17,513,786)	(14,099,790)	(3,413,996)
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		\$ 350,107,600	\$ 288,293,994	\$ 61,813,606
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		\$ 16,429	\$ -	\$ 16,429
30	416.0 Costs and Exp. of Merchandising Jobbing & Contract Wk		(139,554)		(139,554)
31	417.0 Revenue from Non-Utility Operations				-
32	418.0 Non Operating Rental Income				-
33	418.1 Equity in Earnings of Subsidiary Companies				-
34	419.0 Interest & Dividend Income		479,116	28,841	450,275
35	419.1 Allowance for Other Funds Used During Construction				-
36	421.0 Miscellaneous Non Operating Income		60,346		60,346
37	421.1 Gain on Disposition of Property, Total Other Income				-
38	Total Other Income		\$ 416,337	\$ 28,841	\$ 387,496
39	OTHER INCOME DEDUCTIONS				
40	421.2 Loss on Disposition of Property		\$ -	\$ -	\$ -
41	425.0 Miscellaneous Amortization				-
42	426.1 Donations		2,652,939	3,014,657	(361,718)
43	426.2 Life Insurance				-
44	426.3 Penalties		(400,000)	2	(400,002)
45	426.4 Exp. for Certain Civic, Political & Related Activities		124,495	32,165	92,330
46	426.5 Other Deductions				-
47	Total Other Income Deductions		\$ 2,377,434	\$ 3,046,824	\$ (669,390)
48	TAXES APPLICABLE TO OTHER INCOME & DED.				
49	408.2 Taxes Other Than Income Taxes, Otr. Income & Ded.		\$ -	\$ 300,000.00	\$ (300,000)
50	409.2 Income Taxes, Other Income & Deductions		(1,114,966)	21,560	(1,136,526)
51	410.2 Prov. for Deferred Income Taxes, Otr. Income & Ded.		1,864,561		1,864,561
52	411.2 Prov. for Def. Income Taxes, Credit, Otr Income & Ded.		(2,015,621)	(1,334,813)	(680,808)
53	411.5 Investment Tax Cr. Adjustments, Nonutility Operations				-
54	420.0 Investment Tax Credits				-
55	Total Taxes on Other Income and Deductions		\$ (1,266,026)	\$ (1,013,253)	\$ (252,773)
56	Net Other Income and Deductions		\$ (695,071)	\$ (2,004,730)	\$ 1,309,659

**400. INCOME STATEMENT
REVENUES AND EXPENSES**

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

Line No.	Account Number and Title (a)	Schedule Page No. (b)	Balance Current Year (c)	Balance Previous Year (d)	Increase/Decrease (e)
1	INTEREST CHARGES				
2	427 Interest on Long-Term Debt		\$ -	\$ -	\$ -
3	428 Amortization of Debt Discount and Expense		1,091,051	1,539,330	(448,279)
4	428.1 Amortization of Loss on Reacquired Debt				-
5	429 Amortization of Premium on Debt-Credit				-
6	429.1 Amortization of Gain on Reacquired Debt-Credit				-
7	430 Interest on Debt to Associated Companies		16,620,422	16,934,202	(313,780)
8	431 Other Interest Expense		85,441	1,725,727	(1,640,286)
9	432 Allowance for Borrowed Funds Used During Construction-Cr		(415,335)	(177,642)	(237,693)
10	Net Interest Charges		\$ 17,381,579	\$ 20,021,617	\$ (2,640,038)
11	EXTRAORDINARY ITEMS				
12	434 Extraordinary Income		\$ -	\$ -	\$ -
13	435 Extraordinary Deductions				-
14	409.3 Income Taxes-Extraordinary Items				-
15	Net Income		\$ 23,233,207	\$ 28,852,490	\$ (5,619,283)
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Annual Report of: Peoples Natural Gas Company LLC - Peoples Division				Year Ended December 31, 2017	
405. OPERATION AND MAINTENANCE EXPENSES					
Balances at Beginning of Year must be consistent with balances at end of previous year					
Line	Account Number and Title	Schedule Page No.	Balance Current Year	Balance Previous Year	Increase/Decrease
No.	(a)	(b)	(c)	(d)	(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		\$ 6,412	\$ 5,012	\$ 1,400
61	752.0 Gas Wells Expenses		1,420	28	1,392

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		727,213	244,723	482,490
2	754.0 Field Compressor Station Expenses		1,405,383	1,352,717	52,666
3	755.0 Field Compressor Station Fuel and Power		1,729,660	1,622,146	107,514
4	756.0 Field Measuring and Regulating Station Expenses		106,115	22,431	83,684
5	757.0 Purification Expenses		-	-	-
6	758.0 Gas Well Royalties		-	-	-
7	759.0 Other Expenses		46,666	38,483	8,183
8	760.0 Rents		13,728	13,262	466
9	Total Production & Gathering Operation Expenses		\$ 4,036,597	\$ 3,298,802	\$ 737,795
10	Maintenance				
11	761.0 Maintenance Supervision and Engineering		\$ -	\$ -	\$ -
12	762.0 Maintenance of Structures and Improvements		-	-	-
13	763.0 Maintenance of Producing Gas Wells		8,563	7,592	971
14	764.0 Maintenance of Field Lines		1,575,466	336,288	1,239,178
15	765.0 Maintenance of Field Compressor Station Equipment		1,036,466	1,203,549	(167,083)
16	766.0 Maintenance of Field Measuring and Reg. Station Equip.		160,171	107,735	52,436
17	767.0 Maintenance of Purification Equipment		-	-	-
18	768.0 Maintenance of Drilling and Cleaning Equipment		-	-	-
19	769.0 Maintenance of Other Equipment		23,679	-	23,679
20	Total Production & Gathering Maintenance Expenses		\$ 2,804,345	\$ 1,655,164	\$ 1,149,181
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		\$ 6,840,942	\$ 4,953,966	\$ 1,886,976
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)	
60	801.0 Natural Gas Well Head Purchases, Intercompany Trans.		22,758,274	15,030,579	7,727,695
61	802.0 Natural Gas Gasoline Plant Outlet Purchases		-	-	-
62	803.0 Natural Gas Transmission Line Purchases		144,275,211	115,979,433	28,295,778
63	804.0 Natural Gas City Gate Purchases		2,819,560	1,911,428	908,132

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		100,180		100,180
3	805.1 Purchases Gas Cost Adjustments		997,378	(18,565,881)	19,563,259
4	806.0 Exchange Gas		(480,101)	(214,893)	(265,208)
5	807.0 Purchased Gas Expenses				-
6	808.1 Gas Withdrawn from Storage-Debit		15,539,731	7,883,659	7,656,072
7	808.2 Gas Delivered to Storage-Credit		(15,904,925)	(9,218,790)	(6,686,135)
8	809.1 Withdrawals of Liquefied Nat. Gas Held for Processing			-	-
9	809.2 Deliveries of Natural Gas for Processing			-	-
10	810.0 Gas Used for Compressor Station Fuel-Credit		(1,828,148)	(1,730,298)	(97,850)
11	811.0 Gas Used for Products Extraction-Credit			-	-
12	812.0 Gas Used for Other Utility Operations-Credit		(472,546)	(284,094)	(188,452)
13	813.0 Other Gas Supply Expenses		516,973	664,544	(147,571)
14	Total Gas Supply Operation Expenses		\$ 58,225,408	\$ 21,140,397	\$ 37,085,011
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		5,892	8,476	(2,584)
20	817.0 Lines Expenses		1,483	-	1,483
21	818.0 Compressor Station Expenses		556,559	631,031	(74,472)
22	819.0 Compressor Station Fuel and Power		98,487	108,153	(9,666)
23	820.0 Measuring and Regulating Station Expenses		371	(306)	677
24	821.0 Purification Expenses		-	-	-
25	822.0 Exploration and Development		-	-	-
26	823.0 Gas Losses		172,883	99,758	73,125
27	824.0 Other Expenses		12	(2,289)	2,301
28	825.0 Storage Well Royalties		7,309	7,595	(286)
29	826.0 Rents		-	-	-
30	Total Underground Storage Expenses		\$ 842,996	\$ 852,418	\$ (9,422)
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		1,958	2,546	(588)
35	833.0 Maintenance of Lines		5,662	3,532	2,130
36	834.0 Maintenance of Compressor Station Equipment		194,928	243,536	(48,608)
37	835.0 Maintenance of Measuring & Regulating Station Equip.		160	-	160
38	836.0 Maintenance of Purification Equipment		-	-	-
39	837.0 Maintenance of Other Equipment		63	-	63
40	Total Maintenance Expenses		\$ 202,771	\$ 249,614	\$ (46,843)
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		\$ 21,777	\$ 43,264	\$ (21,487)
35	851.0 System Control and Load Dispatching		-	-	-
36	852.0 Communication System Expenses		-	-	-
37	853.0 Compressor Station Labor and Expenses		-	-	-
38	854.0 Gas for Compressor Station Fuel		-	-	-
39	855.0 Other Fuel and Power for Compressor Stations		-	-	-
40	856.0 Mains Expenses		331,382	178,532	152,850
41	857.0 Measuring and Regulating Station Expenses		55,531	25,138	30,393
42	858.0 Transmission and Compression of gas by Others		96,147,856	89,740,976	6,406,880
43	859.0 Other Expenses		578	-	578
44	860.0 Rents		34,394	27,876	6,518
45	Total Transmission Operation Expenses		\$ 96,591,518	\$ 90,015,786	\$ 6,575,732
46	Maintenance				
47	861.0 Maintenance Supervision and Engineering		\$ -	\$ -	\$ -
48	862.0 Maintenance of Structures and Improvements		-	-	-
49	863.0 Maintenance of Mains		416,989	175,295	241,694
50	864.0 Maintenance of Compressor Station Equipment		9,510	412	9,098
51	865.0 Maintenance of Measuring and Regulating Station Equip.		682,071	870,361	(188,290)
52	866.0 Maintenance of Communication Equipment		117,370	90,388	26,982
53	867.0 Maintenance of Other Equipment		3,134	-	3,134
54					
55	Total Transmission Maintenance Expenses		\$ 1,229,074	\$ 1,136,456	\$ 92,618
56	DISTRIBUTION EXPENSES		XXX	XXX	XXX
57	Operation				
58	870.0 Operation Supervision and Engineering		\$ (129,360)	\$ (49,860)	\$ (79,500)
59	871.0 Distribution Load Dispatching		3,488	2,416	1,072
60	872.0 Compressor Station Labor and Expenses		-	-	-
61	873.0 Compressor Station Fuel and Power (Major Only)		-	-	-
62	874.0 Mains and Services Expenses		8,116,178	9,083,325	(967,147)
63	875.0 Measuring and Regulating Station Expenses-General		1,712,051	1,782,575	(70,524)

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		179,034	163,719	15,315
3	878.0 Meter and House Regulator Expenses		2,927,574	2,603,871	323,703
4	879.0 Customer Installations Expenses		2,324,239	2,314,447	9,792
5	880.0 Other Expenses		1,289,553	1,353,227	(63,674)
6	881.0 Rents		73,681	72,548	1,133
7	Total Distribution Operation Expenses		\$ 16,496,438	\$ 17,326,268	\$ (829,830)
7	Maintenance				
8	885.0 Maintenance Supervision and Engineering		\$ -	\$ -	\$ -
9	886.0 Maintenance of Structures and Improvements		2,723,807	2,628,147	95,660
10	887.0 Maintenance of Mains		15,963,099	17,875,372	(1,912,273)
11	888.0 Maintenance of Compressor Station Equipment		97,593	129,844	(32,251)
12	889.0 Maintenance of Measuring & Reg. Station Equip.-Genl.		1,026,128	1,078,215	(52,087)
13	890.0 Maintenance of Measuring & Reg. Station Equip.-Indtrl.		3,490	2,417	1,073
14	891.0 Maintenance of Measuring & Reg. Station Equip.-City G		-	-	-
15	892.0 Maintenance of Services		946,908	800,851	146,057
16	893.0 Maintenance of Meters & House Regulators		218,244	296,319	(78,075)
17	894.0 Maintenance of Other Equipment		427,717	438,492	(10,775)
18	Total Maintenance Expenses		\$ 21,406,986	\$ 23,249,657	\$ (1,842,671)
19	CUSTOMER ACCOUNTS EXPENSES		XXX	XXX	XXX
20	Operations				
21	901.0 Supervision		\$ -	\$ -	\$ -
22	902.0 Meter Reading Expenses		4,048,986	4,048,286	700
23	903.0 Customer Records & Collection Expenses		9,423,622	8,293,481	1,130,141
24	904.0 Uncollectable Accounts		8,354,851	8,931,235	(576,384)
25	905.0 Miscellaneous Customer Accounts Expenses		-	-	-
26	Total Customer Account Operations Expenses		\$ 21,827,459	\$ 21,273,002	\$ 554,457
27	CUSTOMER SERVICE & INFORM. EXPENSES		XXX	XXX	XXX
28	Operations				0
29	907.0 Supervision		\$ 242,560	\$ 198,692	\$ 43,868
30	908.0 Customer Assistance Expenses		5,311,809	4,401,857	909,952
31	909.0 Informational & Instructional Advertising Expenses		300,639	333,061	(32,422)
32	910.0 Miscellaneous Customer Service & Informational Exp.		3,380	2,127	1,253
33	Total Cust. Service & Inform. Operations Expenses		\$ 5,858,388	\$ 4,935,737	\$ 922,651
34	SALES EXPENSES		XXX	XXX	XXX
35	Operation				
36	911.0 Supervision		\$ -	\$ -	\$ -
37	912.0 Demonstrating and Selling Expenses		921,309	1,504,763	(583,454)
38	913.0 Advertising Expenses		-	-	-
39	914.0 (Reserved)		-	-	-
40	915.0 (Reserved)		-	-	-
41	916.0 Miscellaneous Sales Expenses		-	0	0
42	Total Operation Sales Expenses		\$ 921,309	\$ 1,504,763	\$ (583,454)
43	ADMINISTRATIVE AND GENERAL EXPENSES		XXX	XXX	XXX
44	Operation				
45	920.0 Administrative and General Salaries		\$ 14,722,366	\$ 11,793,099	\$ 2,929,267
46	921.0 Office Supplies and Expenses		6,207,820	6,714,236	(506,416)
47	922.0 Administrative Expenses Transferred-Credit		(13,308,815)	(10,787,309)	(2,521,506)
48	923.0 Outside Service Employed		10,712,783	10,593,454	119,329
49	924.0 Property Insurance		171,728	151,411	20,317
50	925.0 Injuries and Damages		5,561,889	5,580,418	(18,529)
51	926.0 Employee Pensions and Benefits		6,368,050	7,203,933	(835,883)
52	927.0 Franchise Requirements		-	-	-
53	928.0 Regulatory Commission Expenses		57,136	31,993	25,143
54	929.0 Duplicate Charges-Credit		-	-	-
55	930.1 General Advertising Expenses		2,675,346	2,214,596	460,750
56	930.2 Miscellaneous General Expenses		1,862,450	817,511	1,044,939
57	931.0 Rents		2,172,053	1,668,997	503,056
58	Total Administrative and General Operation Expenses		\$ 37,202,806	\$ 35,982,339	\$ 1,220,467
59	Maintenance				
60	932.0 Maintenance of General Plant		\$ 92,994	\$ 31,939	\$ 61,055
61	Total Administrative and General Maintenance Expenses		\$ 92,994	\$ 31,939	\$ 61,055
62					
63	Total Gas Operation and Maintenance Expenses		\$ 37,295,800	\$ 36,014,278	\$ 1,281,522
64					
65	Total Gas Operation Expenses		\$ 242,002,919	\$ 196,329,512	\$ 45,673,407
66	Total Maintenance Expenses		\$ 25,736,170	\$ 26,322,830	\$ (586,660)

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		(1,357,258)	1,357,258
5	Local Property Taxes		(29,589)	29,589
6	Public Utility Reality Tax		(774,851)	774,851
7	State Capital Stock Tax		0	0
8	Other Taxes (specify) Payroll Tax		(2,516,521)	2,516,521
9	Use Tax		(878,305)	878,305
10	Miscellaneous Tax		(13,029)	13,029
11	TOTAL	\$ -	\$ (5,569,553)	\$ 5,569,553

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

This schedule shall include a breakdown of the various tax expenses that constitute the ending balance in Account No. 409.1-Income Taxes, Ut. Operating Income.

The information should also reflect related entries to Account No. 165-Prepayments; Account No. 190-Accumulated Deferred Income Taxes and Account No. 236-Accrued Utility Operating Income.

Line No.	Type of Tax (a)	Account 165 Prepayments (b)	Account 190 Accumulated Def. Income Taxes (c)	Account 236 Accrued Taxes (d)	Account 409.1 Income Taxes Opr Income (e)
1	Federal Income Taxes	\$ -	\$ -	\$ 2,112,555	\$ (2,112,555)
2	State Income Taxes			(1,511,200)	1,511,200
3	Local Income Taxes				
4					
5					
6					
7					
8	Other Taxes (specify)				
9					
10					
11	TOTAL	\$ -	\$ -	\$ 601,355	\$ (601,355)

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	391,417,457	391,417,457		
2	Operating Expenses	307,201,873	307,201,873		
3	Operating Taxes (Non-Income)	5,569,553	5,569,553		
4	Interest & Other Expense	17,381,579	17,381,579		
5	Pre-Tax Operating Income				
	Total Line 1 Minus Lines 2-3-4	61,264,452	61,264,452	-	-
6	Other Income (Expense)	(1,961,097)	(1,961,097)		
7	Pre Tax Book Income				
	Total Lines 5+6	59,303,355	59,303,355	-	-
8	Permanent and Flow-Through Differ.	423,957	423,957		
9	Temporary Differences	(38,361,718)	(38,361,718)		
10	State Only Differences	(3,085,112)	(3,085,112)		
11	Subtotal	18,280,482	18,280,482	-	-
12	State Tax at Current Rate	3,431,649	1,826,220		1,605,429
13	Adjustments to State Tax	(608,162)	(608,162)		
14	Adjustments for St. Tax Rate Changes		-		
15	State Tax Accrual				
	Total Lines 12+13+14	2,823,487	1,218,058	-	1,605,429
16	Federal Taxable Income				
	Total Line 11 Minus Lines 10-12-13	18,542,107	20,147,536	-	(1,605,429)
17	Federal Tax at Current Rate	31,023,927	7,154,237	11,559,041	12,310,649
18	ITC Authorization				
19	Adjustment for Fed. Tax Rate Changes	12,311,350			12,311,350
20	R & D Credits				
21	IRS Audit Settlement				
22	Tax Rate Change on Extraord. Activity				
23	Other	(10,088,616)	(10,088,616)		
24	Federal Tax Accrual				
	Total Lines 17 through 23	33,246,661	(2,934,379)	11,559,041	24,621,999

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

This schedule shall include a breakdown of the various tax expenses that constitute the ending balance in Account No. 410.1-Provision for Deferred Income Taxes, Utility Operating Income. The information should also reflect related entries to Account No. 165-Prepayments; Account No. 190-Accumulated Deferred Income Taxes & Account No. 236-Accrued Taxes, Utility Operating Income.

Line No.	DEBITS Type of Tax (a)	Account 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	\$ -	\$ (23,948,467)	\$ (28,259,020)	\$ 52,207,487
2	State			(3,243,828)	3,243,828
3	Other				
4					
5					
6					
7	Total	\$ -	\$ (23,948,467)	\$ (31,502,848)	\$ 55,451,315

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

This schedule shall include a breakdown of the various tax expenses that constitute the ending balance in Account No. 411.1-Provision for Deferred Income Taxes-Credit. The information should also reflect related entries to Account No. 165-Prepayments; Account No. 190-Accumulated Deferred Income Taxes & Account No. 236-Accrued Taxes.

Line No.	DEBITS Type of Tax (a)	Account 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	\$ -	\$ 12,389,426	\$ 3,890,616	\$ (16,280,042)
2	State			1,233,744	(1,233,744)
3	Other				
4					
5					
6					
7	Total	\$ -	\$ 12,389,426	\$ 5,124,360	\$ (17,513,786)

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 CCF or Therms (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.

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

501. SALES FOR RESALE

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

Line No.	Sold To (a)	Point of Delivery (b)	BTU Per Cu. Ft. (c)	MCF CCF or Therms (d)	Commodity Charges (e)	Other Charges (f)	Total (g)	Revenue Per Unit (h)
1	Agway Energy Services LLC	Imbalance Sales	1,041	4,672	\$ 14,595		\$ 14,595	\$ 3.12
2	Ambit Northeast LLC	Imbalance Sales	1,041	972	\$ 3,555		\$ 3,555	\$ 3.66
3	American Power & Gas of PA	Imbalance Sales	1,041	15,327	\$ 45,600		\$ 45,600	\$ 2.98
4	ARM Energy Management LLC	Imbalance Sales	1,041	462	\$ 1,420		\$ 1,420	\$ 3.07
5	Compass Energy Gas Services LLC	Imbalance Sales	1,041	3,935	\$ 12,046		\$ 12,046	\$ 3.06
6	Constellation New Energy-Gas Division	Imbalance Sales	1,041	67	\$ 158		\$ 158	\$ 2.37
7	Cross Timbers Energy Services, Inc.	Imbalance Sales	1,041	38,471	\$ 137,443		\$ 137,443	\$ 3.57
8	Direct Energy BS. Mktg, LLC	Imbalance Sales	1,041	441,924	\$ 1,282,943		\$ 1,282,943	\$ 2.90
9	Dominion Energy Solutions	Imbalance Sales	1,041	810,915	\$ 2,402,451		\$ 2,402,451	\$ 2.96
10	ENGIE Retail dba Think Energy	Imbalance Sales	1,041	64	\$ 109		\$ 109	\$ 1.71
11	Independence Energy Group LLC	Imbalance Sales	1,041	2,836	\$ 8,722		\$ 8,722	\$ 3.08
12	North American Power & Gas, LLC	Imbalance Sales	1,041	3,750	\$ 10,637		\$ 10,637	\$ 2.84
13	Oasis Power LLC dba OASIS Energy	Imbalance Sales	1,041	1,375	\$ 4,166		\$ 4,166	\$ 3.03
14	PALMco Energy PA LLC	Imbalance Sales	1,041	587	\$ 1,749		\$ 1,749	\$ 2.98
15	Peoples Gas Company*	Imbalance Sales	1,041	7,337	\$ 10,592		\$ 10,592	\$ 1.44
16	Reliant Energy Northeast	Imbalance Sales	1,041	414	\$ 1,073		\$ 1,073	\$ 2.59
17	SFE Energy Pennsylvania, Inc.	Imbalance Sales	1,041	10,049	\$ 33,092		\$ 33,092	\$ 3.29
18	Snyder Brothers, Inc.	Imbalance Sales	1,041	24	\$ 73		\$ 73	\$ 3.06
19	Sprague Operating Resources LLC	Imbalance Sales	1,041	15,397	\$ 49,978		\$ 49,978	\$ 3.25
20	Supreme Energy, Inc.	Imbalance Sales	1,041	3,979	\$ 12,274		\$ 12,274	\$ 3.08
21	UGI Energy Services, Inc.	Imbalance Sales	1,041	80,839	\$ 191,188		\$ 191,188	\$ 2.37
22	U.S. Gas and Electric, Inc.	Imbalance Sales	1,041	230	\$ 440		\$ 440	\$ 1.91
23	Vista Energy Marketing LP	Imbalance Sales	1,041	97	\$ 227		\$ 227	\$ 2.34
24	Volunteer Energy Services, Inc.	Imbalance Sales	1,041	3,298	\$ 11,500		\$ 11,500	\$ 3.49
25	Xoom Energy Pennsylvania, LLC	Imbalance Sales	1,041	289	\$ 795		\$ 795	\$ 2.75
26	American Power & Gas of PA	Gas Sale In Place	1,041	3,188	\$ 8,830		\$ 8,830	\$ 2.77
27	ENGIE Retail dba Think Energy	Gas Sale In Place	1,041	2,942	\$ 8,322		\$ 8,322	\$ 2.83
28	PALMco Energy PA LLC	Gas Sale In Place	1,041	1,030	\$ 3,092		\$ 3,092	\$ 3.00
29	Reliant Energy Northeast	Gas Sale In Place	1,041	1,781	\$ 4,932		\$ 4,932	\$ 2.77
30	Vista Energy Marketing LP	Gas Sale In Place	1,041	138	\$ 523		\$ 523	\$ 3.79
31	Xoom Energy Pennsylvania, LLC	Gas Sale In Place	1,041	2,186	\$ 6,055		\$ 6,055	\$ 2.77
32	U.S. Gain a Division of U.S. Venture, Inc.	Sales for Resale NGPV	1,041	662	\$ 5,064		\$ 5,064	\$ 7.65
33	Various	Sales	1,041	242	\$ 2,298		\$ 2,298	\$ 9.49
Totals				1,459,479	\$ 4,275,944		\$ 4,275,944	

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	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: Specify	2,340,282
30	Total Deliveries	115,930,274
31	UNACCOUNTED FOR	
32	Production System Losses	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

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

Line No.	PNG Storage									EGC Storage			Total Storage
	All Volumes @ 14.73 PSIA									All Volumes @ 14.73 PSIA			Total Storage
	Month (a)	Total On System (b)	Murrysville (c)	Colvin ** (d)	Total Off System (e)	Equitrans *** (f)	Dominion (g)	National Fuel (h)	Total PNG Storage (i)	Total Off System (j)	Equitrans (k)	Dominion (l)	Total Storage (m)
1	Storage Operations	MCF	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	0
2	February	0	0	0	0	0	0	0	0	0	0	0	0
3	March	124,240	124,240	0	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 _____
- 0

None

512. LIQUEFIED PETROLEUM GAS OPERATIONS

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

None

515. GAS AND OIL WELLS		
Line No.		
1	GAS WELLS	1
2	Productive Wells at Beginning of Year	
3	Productive Wells Drilled During the Year	
4	Oil Wells Restored to Productive Basis During Year	
5	Wells Purchased During the Year	0
6	Wells Abandoned During the Year	
7	Wells Sold During the Year	
8		
9	Productive Wells at End of Year	1
10	Number of Wells Drilled Deeper During the Year	
11	Dry Holes Drilled During the Year	
12		
13	NATURAL GAS ACREAGE	Operative Non Operative
14	Number of Acres Owned at End of Year	3 1
15	Number of Acres Leased at End of Year	4,469 1,962
16		
17	OIL WELLS	
18	Productive Wells at Beginning of Year	
19	Productive Wells Drilled During the Year	
20	Wells Abandoned and Sold During the Year	
21		
22	Productive Wells at End of Year	

516. GAS LINES, METERS AND SERVICES						
	Size of Pipe Inches	Field Lines M. Ft.	Prod. Ext. Lines M. Ft.	Storage Lines M. Ft.	Distr. Mains M. Ft.	Transmission M. Ft.
26						
27						
28	2"	1,137		11	7,152	82
29	3"	929		17	6,188	96
30	4"	914		5	11,093	335
31	5"	109		2	562	52
32	6"	962		16	5,871	804
33	7"	15		0	41	18
34	8"	916		3	2,586	1,059
35	9"	0		0	3	1
36	10"	169		0	625	593
37	11"	19		0	0	4
38	12"	198		6	576	1,084
39	13"	0		0	0	0
40	14"	0		0	56	201
41	16"	12		0	132	0
42	18"	0		0	0	62
43	19"	0		0	1	0
44	20"	7		0	92	157
45	24"	0		0	15	0
46	30"	0		0	0	0
47						
48		5,388		61	34,993	4,548

Meters in Service at End of Year 378,122

Services at end of year, company owned 358,714

Meters in Stock or Shop at End of Year 6,322

Services at End of Year, Customer Owned None

517. CUSTOMER GAS METERS

Line No.	(a)	Size (b)	Number of Meters			
			First of Year (c)	Added During Year (d)	Removed Or Disconnected During Year (e)	End of Year (e)
1	In residential use					0
2						0
3						0
4						0
5						0
6						0
7						0
8						0
9						0
10	Total in residential use		0	0	0	0
11	In commercial use					0
12						0
13						0
14						0
15						0
16						0
17						0
18						0
19						0
20	Total in commercial use		0	0	0	0
21	In industrial use					0
22						0
23						0
24						0
25						0
26						0
27						0
28						0
29						0
30	Total in industrial use		0	0	0	0
31	In public (municipal or government) use					0
32						0
33						0
34						0
35						0
36						0
37						0
38						0
39						0
40	Total in public (municipal or government) use		0	0	0	0
41	Total in use		378,320	9,520	9,718	378,122
42	In Stock		5,913	10,127	9,718	6,322
43						0
44						0
45						0
46						0
47						0
48						-
49						-
50	Total in stock		5,913	10,127	9,718	6,322
51	Total all meters		384,233	19,647	19,436	384,444

METERS TESTED BY SIZES

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

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

Peoples Natural Gas 2017 Meter Test and Replacement Plan

CLASS "A" METER PROGRAM - STATISTICAL SAMPLING

MANUFACTURER	INSTALLED POPULATION	REQUIRED REMOVALS	TOTAL TESTED	FAILURE RATE
--------------	----------------------	-------------------	--------------	--------------

AMERICAN	195,958	315	5486	8.40%
ROCKWELL	111,960	200	3038	13.70%
SPRAGUE	4,795	80	177	8.40%
LANCASTER	16,626	125	628	13.00%
All 400 Class	6,068	80	289	14.80%

CLASS "B" METER PROGRAM - STATISTICAL SAMPLING

MANUFACTURER	INSTALLED POPULATION	REQUIRED REMOVALS	TOTAL TESTED	FAILURE RATE
--------------	----------------------	-------------------	--------------	--------------

AMERICAN				
ROCKWELL				
SPRAGUE				
Combined Population Total	2,886	50	100	6.00%

METER REMOVAL PROGRESS

MANUFACTURER	INSTALLED POPULATION	REQUIRED REMOVALS	TOTAL TESTED	FAILURE RATE
--------------	----------------------	-------------------	--------------	--------------

IDENTIFIED 2007	9,676	9,676	3	
IDENTIFIED 2009	3,160	1,053	10	
IDENTIFIED 2010	468	117	0	

* 24 Meters identified in 2007, 28 meters identified in 2009, and 6 meters identified in 2010 remain in service. Will continue to target the removal of these meters.

2017 Sampling Plan

6 Meter Families Family Breakdown By Manufacturer 250 All Manufacturer 400 All B Meters			Condemned Meters		
PNG					
	Population	Change		Population	Changed in 2017
American 250	195,958	315	Family 507	24	3
Rockwell 250	111,960	200	Family 509	28	10
Sprague 250	4,795	80	B Meters - Family 510	6	0
Lancaster 250	16,626	125			
All Manufacturer 400	6,068	80			
B Meters	2,886	50			
Total Sampling Changes		850	Total Condemned Changes		13
Total Sampling Meter Population - 349,193		338,293	Total Sampling & Condemned		863

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

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

Line No.	Account (a)	Number of Customers			Sales During Year			Revenues	
		Beginning of Year (b)	End of Year (c)	Average During Year (d)	Total MCF/CCF Therms (e)	Total Operating Revenue (f)	MCF/CCF Therm Per Customer (g)	Per Customer (h)	Per Unit (i)
2	Metered Sales by Tariff Schedule								
3	Residential								
4	Heating	250,469	253,134	250,748	21,016,224	\$ 213,524,390	83	\$ 843.52	\$ 10.16
5	Non-Heating	1,699	1,599	1,633	28,693	523,251	18	\$ 327.24	\$ 18.24
6	Unbilled				620,673	9,034,269			
7									
8	Transportation								
9	Billed	83,155	81,313	81,912	6,952,638	51,021,777	86	\$ 627.47	\$ 7.34
10	Unbilled				184,543	1,203,009			
11									
12									
13	Total Residential Metered Sales	335,323	336,046	334,293	28,802,771	\$ 275,306,696	86	\$ 819.25	\$ 9.56
14	Commercial								
15	Heating	18,486	17,841	18,305	5,090,248	\$ 38,473,704	285	\$ 2,156.48	\$ 7.56
16	Non-Heating	513	512	520	97,073	770,823	190	\$ 1,505.51	\$ 7.94
17	Unbilled				120,918	1,595,370			
18									
19	Transportation								
20	Billed	8,657	9,332	8,716	11,064,689	\$ 32,768,950	1,186	\$ 3,511.46	\$ 2.96
21	Unbilled				237,495	878,920			
22									
23									
24	Total Commercial Metered Sales	27,656	27,685	27,541	16,610,423	\$ 74,487,767	600	\$ 2,690.55	\$ 4.48
25	Industrial								
26	Retail - Billed	37	37	37	130,529	\$ 794,394	3,528	\$ 21,470.11	\$ 6.09
27									
28	Transportation- Billed	218	213	216	17,937,372	17,517,126	84,213	\$ 82,240.03	\$ 0.98
29									
30									
31									
32	Total Industrial Metered Sales	255	250	253	18,067,900	\$ 18,311,520	72,272	\$ 73,246.08	\$ 1.01
33	Public								
34	Off System Transportation				314,612	14,787			
35	Other- Sales for Resale	12	12	11	1,459,479	\$ 4,275,944	121623	356329	3
36	Total Metered Sales	363,246	363,993	362,098	65,255,185	\$ 372,396,714	179	\$ 1,023.09	\$ 5.71
37	Unmetered Sales-All Categories								
38	Other								
39	Total Unmetered Sales	0	0	0	0	-			
40	Total Sales of Gas	363,246	363,993	362,098	65,255,185	\$ 372,396,714	179	\$ 1,023.09	\$ 5.71
41	Rent from Gas Property								
42	Interdepartmental Rents								
43	Operating Revenue Other Than Gas Sales					\$ 14,850,610			
44	Allowance to Customers								
45	Gas Storage Revenues								
46	Customers Forfeited Discounts & Penalties					\$ 2,463,310			
47	Miscellaneous Gas Revenues					\$ 1,706,823			
48	Total Other Gas Revenues	0	0	0	0	\$ 19,020,743			
49	Total Gas Operating Revenues	363,246	363,993	362,098	65,255,185	\$ 391,417,457			

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

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

County Code (a)	Serves County (b)	Name of Pennsylvania County (c)	Number Of Customers At End Of Year (d)	Average Number Of Customers During Year (e)
01		Adams		
02	x	Allegheny	150,055	150,005
03	x	Armstrong	12,308	12,311
04	x	Beaver	18,893	18,754
05		Bedford		
06		Berks		
07	x	Blair	33,056	33,059
08		Bradford		
09		Bucks		
10	x	Butler	14,780	14,651
11	x	Cambria	28,074	28,166
12		Cameron		
13		Carbon		
14		Centre		
15		Chester		
16	x	Clarion	52	53
17		Clearfield		
18		Clinton		
19		Columbia		
20		Crawford		
21		Cumberland		
22		Dauphin		
23		Delaware		
24		Elk		
25		Erie		
26	x	Fayette	3,180	3,195
27		Forest		
28		Franklin		
29		Fulton		
30	x	Greene	541	533
31		Huntingdon		
32	x	Indiana	12,613	12,626
33		Jefferson		
34		Juniata		
35		Lackawanna		
36		Lancaster		
37	x	Lawrence	4,377	4,354
38		Lebanon		
39		Lehigh		
40		Luzerne		
41		Lycoming		
42		McKean		
43	x	Mercer	4,979	4,966
44		Mifflin		
45		Monroe		
46		Montgomery		
47		Montour		
48		Northampton		
49		Northumberland		
50		Perry		
51		Philadelphia		
52		Pike		
53		Potter		
54		Schuylkill		
55		Snyder		
56	x	Somerset	1,654	1,651
57		Sullivan		
58		Susquehanna		
59		Tioga		
60		Union		
61	x	Venango	89	88
62		Warren		
63	x	Washington	5,720	5,709
64		Wayne		
65	x	Westmoreland	73,610	73,491
66		Wyoming		
67		York		
Totals			363,981	363,608
Total Population of Territory Served (Estimated)			3,075,141	

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

VERIFICATION

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

OATH

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

Commonwealth of Pennsylvania

ss:

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.

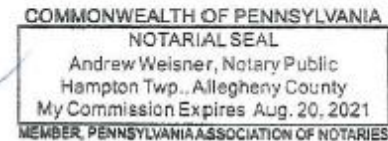
Based on the officer's knowledge, the report does not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading.

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)



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

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

SUPPLEMENTAL OATH

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

Commonwealth of Pennsylvania

ss:

County of Allegheny

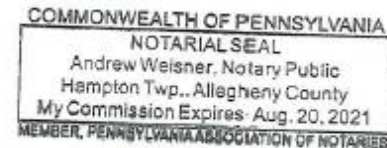
Morgan K. O'Brien makes oath and says that he is President & Chief Executive Officer (Name of affiant) (Official title of affiant)

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)



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

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

Data

COMPANY	YEAREN	PLT_SVC	GAS_PLT	DEPR_AMORT	CWIP	PLT_AQ_ADJ	PLT_HLD	MAT_SUPP	DEP_AM
PEOPLES NA	2017	#####	#####	(600,238,787)	#####	284,894,602	0	3,092,463	#####
*This sheet is for PUC use only.									

Data

NET_BOOK	CIAC	PLAT_MTLS_OPR_SUPP	OP_REV	OP-EXP	MAIN_EX	DEP_EXP	AMORT_LTD_GAS_PLT
1,710,434,195	164336	3092463	#####	#####	25736170	29140580	0

Data

AMORT_OTR_GAS_PLT	AMORT_PL_AQ	TAXES_OTR_THAN_INC	INC_TAXES_OPR_INC	TTL_TAXES	TTL_OP_EXP
0	0	5569553	-601355	42905727	350107600

Data

OP_INCOME	OTHER_INC	OTH_DED	NET_INCOME	TTL_MFG_GAS_PROD_EXP
41309857	416337	2377434	23233207	0

Data

TTL_NAT_GAS_PROD_EXP	TTL_EXPL_DEV_OPR_EXP	TTL_PROD_GATH_OPR_EXP	TTL_PROD_GATH_MAINT_EXP
6840942	0	4036597	2804345

Data

SUPP_OPR_EX_PUR_GAS	SUPP_MAINT_EX_PUR_GAS_EXP	GAS_UTILITY_OPR	OTR_GAS_SUPP_EXP
59276765	732364	-472546	516973

Data

UNDERGRD_STOR_EXP	NAT_GAS_MAINT_EXP	TRANS_EXP_OPR	TRANS_EXP_MAINT	DISTR_EXP_OPR
842996	202771	96591518	1229074	16496438

Data

DISTR_EXP_MAINT	CUST_ACCTS_EXP	CUST_SVE_INFO_EXP	SALES_EXP	ADM_GENL_EXP_OPR
21406986	21827459	5858388	921309	37202806

Data

ADM_GENL_EXP_MAINT	TTL_RECEIPTS_MCF	UNACCT_GAS_MCF	TRANSPORTATION	DISTR_MAINS_M-FT
37295800	120997156	5066882	60532142	34993

Data

TRANS_MAINS_M_FT	SERV_EOY_CO_OWNED	RES_MET_CUST	COMM_MET_CUST	IND_MET_CUST
4548	0	336046	27685	250

Data

OTR_MET_CUST	TOTAL_MET_CUST	TOTAL_UNMET_CUST	TOTAL_TRANS_CUST	TOTAL_CUST	TTL_RES_REV
12	363993	0	0	363993	275306696

Data

RES_MCF_MET	AVG_RES_CUST	TTL_COMM_REV	COMM_MCF_MET	AVG_COMM_CUST	TTL_IND_REV
28802771	334293	74487767	16610423	27541	18311520

Data

IND_MCF_MET	AVG_IND_CUST	TTL_TRANS_REV	AVG_TRANS_CUST	TTL_OTHER_REV
18067900	253	0	0	4290731

Data

AVG_OTHER_CUST	RES_REV_MET	TOTAL_REV_UNM	AV_RES_USE	AV_RES_BILL	TTL_ALL_EMPLOYEES
11	275306696	0	85.71	819.25	994