

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PENNSYLVANIA PUBLIC UTILITY  
COMMISSION**

v.

**PEOPLES TWP LLC**

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**Docket No. R-2014-2399598**

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**PREPARED DIRECT TESTIMONY OF  
ANDREW P. WACHTER,  
MANAGER, GAS SUPPLY ACQUISITION & LOGISTICS  
PEOPLES TWP LLC**

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DATE SERVED: \_\_\_\_\_  
DATE ADMITTED: \_\_\_\_\_

Peoples TWP Statement No. 2

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**PREPARED DIRECT TESTIMONY OF  
ANDREW P. WACHTER**

**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

A. My name is Andrew P. Wachter, and my business address is 375 North Shore Drive, Suite 600, Pittsburgh, Pennsylvania 15212.

**Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

A. I am employed as Manager, Gas Supply Acquisition and Logistics for Peoples TWP LLC (“Peoples TWP”, “PTWP” or the “Company”). Pursuant to the Commission approved affiliated interest agreements between Peoples Natural Gas Company LLC (“Peoples”) and Peoples Service Company LLC (“PSC”) and between PSC and Peoples TWP, I provide the gas supply services for both Peoples TWP and Peoples. Effective December 17, 2013, Peoples merged with the former Equitable Gas Company (“Equitable”), and as a result, my services also cover the gas supply requirements for the former Equitable system.

**Q. STATE YOUR EDUCATIONAL BACKGROUND AND EMPLOYMENT EXPERIENCE.**

A. I graduated from Duquesne University in 2000 with a Bachelor of Science Degree in Accounting. I also obtained a Masters in Business Administration from Duquesne University in 2001. After graduation, I was employed as an Auditor with Deloitte and

1 Touche LLP. In September 2004, I joined T. W. Phillips Gas and Oil Co.<sup>1</sup> (Peoples  
2 TWP) as the Assistant Controller and was ultimately promoted to the Vice President of  
3 Finance and Rates. In June 2012, I assumed the position of Manager, Rates and  
4 Regulatory as the result of a reorganization. I am a Certified Public Accountant, having  
5 obtained my certificate in Pennsylvania in 2004. Over the past decade I have completed  
6 over 400 hours of professional continuing education courses on various subject matters.

7  
8 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PENNSYLVANIA**  
9 **PUBLIC UTILITY COMMISSION (THE “COMMISSION”)?**

10 A. Yes. I have submitted Testimony in the cases outlined in Appendix A to this testimony.

11  
12 **Q. WHAT ARE YOUR RESPONSIBILITIES AS MANAGER OF GAS SUPPLY?**

13 A. I am responsible for:

- 14 1. The execution of Peoples TWP’s gas purchase policy, strategy and practices;
- 15 2. Reviewing well-head prices paid to local Pennsylvania (“PA”) gas producers and  
16 natural gas prices paid to interstate gas suppliers from which Peoples TWP purchases  
17 gas; and
- 18 3. Negotiating, executing and monitoring all interstate pipeline service agreements and  
19 Pennsylvania gas purchase contracts.

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<sup>1</sup> On May 24, 2011, T. W. Phillips Gas and Oil Co. merged with Peoples TWP with Peoples TWP being the surviving legal entity. For ease of reference, I will not distinguish the pre-merger and post-merger entities. All references will be to Peoples TWP.

1 **Q. PLEASE EXPLAIN THE GAS SUPPLY DEPARTMENT CHANGES FROM THE**  
2 **PRIOR YEAR.**

3 A. In late 2013, Jon A. Skoog, the former Vice President of Gas Supply, retired. As a result,  
4 a department restructuring occurred. I was named the Manager of Gas Supply and report  
5 directly to Jeffrey S. Nehr, the Director of Commercial Operations. Mr. Nehr reports  
6 directly to Kenneth Johnston who is a Senior Vice President and Chief Operations  
7 Officer.

8  
9 **Q. WHAT ARE YOUR RESPONSIBILITIES AS A WITNESS IN THIS**  
10 **PROCEEDING?**

11 A. Broadly, my testimony will address the activities related to Peoples TWP's least overall  
12 cost and reliable natural gas procurement policy. I will address the following areas in  
13 detail:

- 14 I. Gas Procurement Policy, Strategy, and Practices
- 15 II. Peoples TWP's Pipeline System
- 16 III. Overall Gas Supply Portfolio
- 17 IV. Peoples TWP's Interstate Pipeline and Storage Capacity Portfolio
- 18 V. Peoples TWP/Peoples Exchange Agreement
- 19 VI. Exhibit Walkthrough
- 20 VII. Asset Management Agreements
- 21 VIII. Capacity Releases
- 22 IX. Off-System Sales
- 23 X. Other Gas Costs

1 XI. Local Gas Pricing Change

2 XII. Unaccounted For Gas

3  
4 **I. GAS PROCUREMENT POLICY, STRATEGY AND PRACTICES**

5 **Q. PLEASE BRIEFLY DESCRIBE THE PRINCIPAL FOCUS OF PEOPLES TWP'S**  
6 **GAS PROCUREMENT POLICY, STRATEGY AND PRACTICES.**

7 A. Peoples TWP pursues a least overall cost natural gas procurement policy, consistent with  
8 the Company's obligation to provide safe, adequate and reliable service to its ratepayers.  
9 Peoples TWP pursues this policy within the limitations of its existing facilities and its  
10 existing gas supply and transportation contracts. The Company strives to provide an  
11 appropriate balance between the two goals of providing reliable supply and achieving  
12 least overall gas costs.

13  
14 **Q. PLEASE EXPLAIN HOW PEOPLES TWP HAS PURSUED ITS GOAL OF**  
15 **PROVIDING RELIABLE SERVICE WHILE INCURRING THE LEAST**  
16 **OVERALL GAS COSTS.**

17 A. Peoples TWP pursues its goal of providing reliable service at the least overall costs by  
18 utilizing a combination of local and interstate capacity assets and supply. The local  
19 assets consist of local Pennsylvania gas purchase agreements and company owned on-  
20 system storage fields. The local Pennsylvania gas represents a significant portion of the  
21 annual supply needs of the system while the on-system storage has limited supply  
22 capacity and is therefore utilized more for meeting the system's short-term peak  
23 requirements. On the other hand, Peoples TWP's interstate assets are comprised of a

1 portfolio of storage and associated transportation services for which Peoples TWP has  
2 contracted with various Federal Energy Regulatory Commission-regulated pipelines.  
3 They include Dominion Transmission Inc. (“DTI”), Columbia Gas Transmission, LLC  
4 (“TCO”) and Equitrans, L.P. (“EQT”). The Company also has interconnects with Texas  
5 Eastern Transmission, L.P. (“TETCO”) and Tennessee Gas Pipeline Company, LLC  
6 (“TGP”). Peoples TWP relies upon on-system storage and interstate pipeline storage  
7 services during the heating season period from November through March (the “Heating  
8 Season”), to help satisfy both the general system requirements over the entire Heating  
9 Season and perhaps more importantly the Design Peak Day requirement – the highest,  
10 single-day, projected demand on the Company’s systems for which it plans to serve.  
11 Peoples TWP, therefore, manages its storage assets to meet both Design Peak Day and  
12 seasonal requirements.

13  
14 **Q. WHAT SPECIFIC ACTIVITIES ARE INVOLVED IN PEOPLES TWP’S**  
15 **PURSUIT OF ITS GAS SUPPLY GOAL?**

16 A. Peoples TWP’s goal of achieving reliable service while incurring the least overall gas  
17 costs involves several steps or activities. The first step involves planning. The two  
18 fundamental planning activities are: review of the system Design Peak Day requirements,  
19 including all demands for gas, and modeling system operations. The second step  
20 involves a review of the existing capacity portfolio required to satisfy the results of the  
21 planning activities. The third step is to arrange for the purchase of natural gas supplies.  
22 These last two steps are performed taking into consideration current market conditions  
23 and dynamics. Peoples TWP follows these same steps whether evaluating short or long

1 term gas supply. The goal is to make gas acquisition choices that minimize Peoples  
2 TWP's gas supply and capacity costs, taking into account the projected range of gas  
3 requirements, the uncertainty of future gas prices, and all of the operational and  
4 contractual characteristics of the components of its existing gas supply portfolio and  
5 utility pipeline system.

6  
7 **Q. IN GENERAL, HOW DOES PEOPLES TWP SELECT AMONG THE VARIOUS**  
8 **SERVICES AND SUPPLIES AVAILABLE TO IT?**

9 A. Once the demand and system operation requirements are determined, Peoples TWP  
10 identifies what interstate supplies and local supplies are available to meet the specific  
11 requirements. When evaluating each option, in addition to cost, Peoples TWP will take  
12 into consideration the specific terms and conditions associated with each option. As we  
13 prepare to acquire gas each month, we fine tune the plan so that we are acquiring the least  
14 costly most reliable blend of gas taking into account actual operational needs and market  
15 conditions while ensuring reliable service.

16  
17 **Q. ONCE PEOPLES TWP HAS IDENTIFIED RELIABLE GAS SUPPLY SOURCES,**  
18 **WHAT IS THE GUIDING PRINCIPLE USED IN PREPARING ITS GAS**  
19 **SUPPLY PLAN?**

20 A. To minimize gas costs within the context of maximizing reliability. In general, Peoples  
21 TWP does that through an economic dispatch of supplies – that is, by using its least  
22 costly source of supply first, within the operational, reliability and contractual limits that  
23 it faces. This objective must be achieved within the context of a number of constraints

1 including the radically different load profiles of the weather-sensitive (generally  
2 residential and small and medium commercial) and large volume industrial customer  
3 classes, the geographic location of our principal customer markets, the physical design  
4 and related operational capacity limitations inherent in our pipeline system and the  
5 sources of supply available at various times during the year.

6  
7 **Q. HAS PEOPLES TWP MADE ANY SIGNIFICANT CHANGES IN ITS GAS**  
8 **PROCUREMENT POLICY, STRATEGY AND PRACTICES DURING THE PGC-**  
9 **2014 HISTORICAL PERIOD?**

10 A. No. Peoples TWP's well-established reliable least-cost gas procurement policy, strategy  
11 and practices continued to work effectively during 2013. Peoples TWP uses energy  
12 industry sources that survey and monitor utility practices in order to stay abreast of  
13 current market trends and practices.

14  
15 **Q. CAN YOU DESCRIBE PEOPLES TWP'S FUNDAMENTAL PLANNING**  
16 **PROCESS USED IN EVALUATING THE CAPACITY PORTFOLIO**  
17 **REQUIREMENTS OF THE SYSTEM MENTIONED EARLIER IN YOUR**  
18 **TESTIMONY?**

19 A. Yes. I've already testified that Peoples TWP's uses a two-step planning process to  
20 review and establish the natural gas supply requirements of the Company's distribution  
21 system. The first step involves a review of the system Design Peak Day requirements.  
22 The second step involves a review of the existing capacity portfolio using a system flow  
23 model to determine where gas must be sourced into the system to satisfy both supply and



1 pressure requirements. Each of these steps is required to develop a reliable capacity and  
2 supply portfolio. Please refer to Statement No. 1 - the Direct Testimony of Lynda W.  
3 Petrichevich for further discussion of the first step related to the Design Day study. I will  
4 address the second step in Section II of this direct testimony.

5  
6 **II. PEOPLES TWP'S PIPELINE SYSTEM**

7 **Q. PLEASE DESCRIBE THE SECOND STEP OF THE CAPACITY PLANNING**  
8 **PROCESS.**

9 A. Once Peoples TWP develops the Design Peak Day requirements, the Gas Supply  
10 department works with the Company's Engineering, Planning and Design group to  
11 analyze where gas supply is required on the utility system. The first step in this process  
12 is to calibrate the system flow model to a current state and the second step involves  
13 developing and running different supply and requirements scenarios. Peoples TWP has  
14 used the Stoner Modeling system, also known as SynerGEE Gas.

15  
16 **Q. DESCRIBE THE PROCESS USED TO CALIBRATE THE STONER MODEL.**

17 A. PTWP calibrated the model to reflect how the system operated on a peak day within the  
18 past several years. Using a recent system peak day allows the model to more accurately  
19 reflect how and where interstate gas and local Pennsylvania gas sources were utilized to  
20 balance the system. It also assures that the model accounts for the location of customer  
21 growth, changes in equipment efficiency, and changes in pipeline system operating  
22 pressure.

1 **Q. WHY IS THIS UPDATING CRITICAL?**

2 A. How the system actually operated on a relevant peak day provides the best starting point  
3 for establishing the system requirements at various locations on a projected Design Peak  
4 Day. Once these system needs are determined by the model, Peoples TWP can then use  
5 the model to project how changes in the Design Peak Day capacity portfolio will affect  
6 its supply reliability under different operating conditions.

7

8 **Q. ONCE THE STONER MODEL IS CALIBRATED, WHAT SCENARIO**  
9 **ANALYSIS IS CONDUCTED?**

10 A. Peoples TWP typically will create and run various scenarios analyzing the impact of  
11 various Design Peak Day usage levels and supply sources. A base case scenario is  
12 created which involves modifying the calibrated model to reflect the current Design Peak  
13 Day requirements and the current capacity and supply portfolio. Starting with the base  
14 case scenario, model inputs like customer usage, interstate supply, local Pennsylvania  
15 supply, and storage assumptions are changed to reflect the conditions in each scenario  
16 and the results are measured and compared against the base case.

17

18 **Q. PLEASE BRIEFLY DESCRIBE THE PEOPLES TWP PIPELINE SYSTEM.**

19 A. In general, the pipeline system consists of two categories, "Smaller Volume Pipelines"  
20 and "Larger Volume Pipelines". The vast majority of the pipeline system is characterized  
21 by small diameter pipelines (2 to 4-inch) operating at low pressures (on average 40 psig)  
22 to accommodate the receipt and delivery of local Pennsylvania gas production from  
23 shallow conventional wells. I will refer to these pipelines as the "Smaller Volume

1 Pipelines”. The other category of pipelines makes up less than 350-miles (about 12%) of  
2 the pipeline system and consists of larger diameter (8 to 16-inch) pipelines operating at  
3 higher operating pressures averaging 125 psig, which is still considered a lower pressure  
4 system by industry standards. I will refer to these pipelines as the “Larger Volume  
5 Pipelines”.

6  
7 **Q. HOW IS THIS SYSTEM UTILIZED TO PROVIDE GAS TO PEOPLES TWP’S**  
8 **RATEPAYERS?**

9 A. Historically, gas produced from shallow conventional gas wells, located primarily on the  
10 eastern side of the pipeline system, is transported through the Smaller Volume Pipelines  
11 to the Larger Volume Pipelines for ultimate delivery into the distribution facilities  
12 serving ratepayers, most of whom are located in Butler County and the Allegheny River  
13 Valley areas. During periods of peak demand, gas from the interstate pipelines is also  
14 injected into the Large Volume Pipelines and delivered to the same distribution facilities.

15  
16 **Q. DOES THE PIPELINE SYSTEM HAVE ANY CONSTRAINTS?**

17 A. Yes. As discussed in the Filing Requirements, the Peoples TWP pipeline system that is  
18 used to move local gas to the main distribution facilities serving ratepayers is constrained  
19 by capacity and operating pressure. These capacity and pressure constraints impact the  
20 ability to rely on local Pennsylvania gas during the heating season (November through  
21 March) when Peoples TWP experiences it periods of peak demand. During periods of  
22 peak demand, gas usage by the weather-sensitive residential and small commercial  
23 ratepayers increases substantially, so much so that Peoples TWP pipeline system cannot

1 deliver enough local Pennsylvania gas to satisfy their requirements. Accordingly, large  
2 volumes of higher pressure interstate storage gas from Peoples TWP's interconnections  
3 with interstate pipelines are utilized during such periods to supplement the local gas  
4 supplies. These interconnections are strategically located to serve Peoples TWP's major  
5 market areas. Once the ratepayers' high usage peak demand subsides, Peoples TWP can  
6 reduce reliance on the interstate storage gas and resume relying upon Pennsylvania gas  
7 for most of its ratepayers' load requirements. In short, Peoples TWP's pipeline system is  
8 designed to operate at relatively low pressures to facilitate the flow of gas from the over  
9 2,100 conventional local gas purchase meters providing the base load supply, and to  
10 supplement that local gas in the Heating Seasons with interstate pipeline deliveries that  
11 have historically been sourced from storage service.

12  
13 **III. OVERALL GAS SUPPLY PORTFOLIO**

14 **Q. PLEASE DISCUSS PEOPLES TWP'S PURCHASED GAS SUPPLY PORTFOLIO**  
15 **AND THE IMPACT OF THE COMPANY'S OPERATING SYSTEM**  
16 **CONSTRAINTS ON THAT PORTFOLIO.**

17 A. Throughout its history, Peoples TWP has maintained a policy of purchasing substantial  
18 supplies of natural gas from local Pennsylvania producers for base system supply  
19 requirements primarily from shallow conventional wells. Opportunities created in the  
20 post-FERC Order 636 marketplace increased the availability of interstate storage  
21 services. Taking advantage of these opportunities, Peoples TWP has acquired interstate  
22 storage and related transportation services to help satisfy the Design Peak Day and the  
23 Heating Season requirements of primarily its weather-sensitive ratepayers. These

1 interstate gas storage and transportation services and the availability of cost-competitive  
2 interstate gas supplies are able to complement the base load Pennsylvania gas supplies  
3 and satisfy Peoples TWP's Design Peak Day and Heating Season system supply  
4 requirements.

5  
6 **Q. PLEASE DESCRIBE THE IMPACT OF THE COMPANY'S OPERATING**  
7 **SYSTEM CONSTRAINTS ON THE GAS SUPPLY PORTFOLIO.**

8 A. Peoples TWP currently has interconnects with various interstate pipeline companies,  
9 TETCO, TCO, TGP, DTI and now EQT. Most of the locations at which interstate  
10 pipeline supplies enter Peoples TWP's pipeline operating system are in strategic  
11 locations, making these supplies an essential part of Peoples TWP's overall gas supply  
12 mix, particularly during the Design Peak Day and the Heating Season, due to the  
13 operational constraints inherent in Peoples TWP's pipeline operating system that I have  
14 described. The locations of interstate pipeline interconnections near Peoples TWP's  
15 major market areas facilitate the injection of high-pressure gas supplies into the  
16 Company's transmission system at sufficient flow rates to maintain pressures on Peoples  
17 TWP's system when demand increases during peak usage periods. Accordingly, Peoples  
18 TWP's firm interstate storage capacity and deliverability are the crucial components in  
19 the portfolio of supplies and services that Peoples TWP uses to satisfy its Design Peak  
20 Day and Heating Season requirements of primarily the weather-sensitive ratepayers.  
21 Additional details can be found in Filing Requirement Response Nos. 1 and 6.

22

1 **Q. WHY IS THE INTERSTATE STORAGE SERVICE DELIVERABILITY**  
2 **CRITICAL IN MEETING THE DESIGN PEAK DAY AND HEATING SEASON**  
3 **REQUIREMENTS OF THE WEATHER-SENSITIVE RATEPAYERS?**

4 A. The additional or “extra demand” load requirements experienced by weather-sensitive  
5 ratepayers during the Design Peak Day and Heating Seasons are difficult to serve without  
6 a substantial and immediate peak deliverability of gas supply. Interstate storage and  
7 related transportation service is an effective and economical means for providing the  
8 required peak deliverability of gas supplies for these ratepayers.

9  
10 **Q. WITHOUT INTERSTATE STORAGE AND FIRM TRANSPORTATION**  
11 **SERVICES, WOULD THE DELIVERABILITY OF PENNSYLVANIA-SOURCED**  
12 **SUPPLIES BE SUFFICIENT TO MEET THE EXPECTED RATEPAYER**  
13 **DEMAND ON THE DESIGN PEAK DAY OR THROUGHOUT THE HEATING**  
14 **SEASON?**

15 A. No. Absent the current level of firm interstate services, Pennsylvania-sourced supplies  
16 would be insufficient to serve the Design Peak Day and Heating Season load  
17 requirements of the weather-sensitive ratepayers. The local gas is sufficient to meet the  
18 utility base load or non-heating requirements but may not have the flexibility to meet the  
19 pressures and deliverability of heat sensitive requirements under extreme weather  
20 conditions due to situations such as freeze offs, and production declines when a well is  
21 run at maximum capability for an extended period of time. As a result, the Company  
22 must have interstate storage to provide deliverability to meet design conditions. Due to  
23 this storage need in the winter, another consideration in determining the amount of base

1 load Pennsylvania gas that can be taken into the Company's system during the heating  
2 season are the "must-turn" provisions of the Company's interstate pipeline storage  
3 contracts. If the Company does not adequately "turn" (i.e. withdraw) interstate storage,  
4 the Company will be subject to costly penalties.

5  
6 **Q. PLEASE DISCUSS THE GAS AVAILABLE ON PEOPLES TWP'S PEAK**  
7 **DESIGN DAY DURING THE 2014-2015 WINTER HEATING SEASON AS**  
8 **PROVIDED IN EXHIBIT NO. 1.**

9 A. Exhibit No. 1 projects the gas supply we expect to have available for the 2014-2015  
10 Winter Heating Season. Local purchases were projected based upon a recent monthly  
11 history of actual production adjusted for freeze-offs (20% de-rating) and expected local  
12 production estimates. The interstate supply is presented at contractual levels converted  
13 from Dth to Mcf. On-system storage withdrawal capability was estimated at 36 MMcf  
14 based upon historical analysis.

15  
16 **Q. DID YOUR EXPERIENCE DURING THE POLAR VORTEX ON JANUARY 6<sup>TH</sup>**  
17 **AND 7<sup>TH</sup> OF THIS YEAR PROVIDE ANY RELEVANT INSIGHT?**

18 A. During January 7, 2014 the Company utilized on-system storage to its fullest capabilities  
19 during this cold period (67 HDDs) and determined that actual on-system storage pool  
20 performance did not meet the projected 36 MMcf deliverability level that was reflected in  
21 the Design Peak Day analysis presented in PTWP Exhibit No. 1. Historically, the  
22 Company had performed engineering studies and achieved high withdrawal levels but  
23 had not recently experienced this level of cold weather. Accordingly, January 7<sup>th</sup>

1 provided temperature conditions closer to Design Day and so it was a good test of the  
2 capabilities of on-system storage fields on closer to Design Day conditions. As such, the  
3 Company reviewed hourly flow data from the Company's on-system storage fields and  
4 determined that the withdrawal capabilities on a coincidental basis (withdrawal rates for  
5 all storage field over the same period) were 27.7 MMcf and the withdrawal capabilities  
6 on a non-coincidental basis (maximum withdrawals rates for each individual storage  
7 field) were 30.6 MMcf. This represents a 17% decrease in the peak day capability of this  
8 key peak shaving asset. Based on this recent information and using the non-coincident  
9 withdrawal data, the total available peak day supplies shown in PTWP Exhibit No. 1  
10 would be reduced from 167 MMcf to 161.6 MMcf.

11  
12 **IV. PEOPLES TWP'S INTERSTATE PIPELINE AND STORAGE CAPACITY**  
13 **PORTFOLIO**

14 **Q. PLEASE EXPLAIN THE CONTENT OF PTWP'S FILING REQUIREMENT**  
15 **RESPONSE NO. 1.**

16 A. Filing Requirement Response No. 1 provides an extensive analysis and discussion of  
17 PTWP's interstate pipeline transportation and storage, local Pennsylvania gas purchase,  
18 and other agreements. The response includes a discussion of the impact of the landmark  
19 FERC Order 636 and other more recent FERC Orders on interstate pipeline services and  
20 PTWP's response to the opportunities that were made available, including the termination  
21 of the then-existing interstate pipeline firm transportation services and the acquisition of  
22 new interstate pipeline storage services. In addition, the contractual agreements



1 associated with the interstate-sourced firm and interruptible and PA-sourced gas supplies  
2 are discussed in this response.

3  
4 **Q. HAS PEOPLES TWP MADE ANY MATERIAL CHANGES TO ITS**  
5 **INTERSTATE PIPELINE SERVICE AGREEMENTS OR PENNSYLVANIA GAS**  
6 **PURCHASE AGREEMENTS DURING THE PAST YEAR?**

7 A. Yes, Peoples TWP made the following changes:

- 8 (i) The TGP storage previously held was replaced by a delivered firm supply  
9 deal;
- 10 (ii) The existing TCO Firm Transportation agreement was extended; and
- 11 (iii) The Company entered agreements with Equitrans to replace various TCO  
12 agreements that were not renewed.

13 There were no material changes made to the Pennsylvania gas purchase agreements  
14 during the past year.

15  
16 **Q. PLEASE EXPLAIN THE CHANGES MADE TO THE CAPACITY HELD WITH**  
17 **TGP?**

18 A. Peoples TWP had a Firm Storage Agreement and a Firm Transportation Agreement with  
19 TGP that expired on October 31, 2013. The Firm Storage Agreement provided for a  
20 capacity of 619,618 Dths and a demand of 7,000 Dths and is physically located in TGP's  
21 Zone 1 Bear Creek storage facility located in Louisiana. The Firm Transportation  
22 Agreement provided for a maximum delivery quantity of 7,000 Dths. As a result of the  
23 system design day study, Peoples TWP determined that its system requires gas supply

1 delivered at the TGP Pitt Terminal point on a Design Peak Day; as such, Peoples TWP  
2 undertook a Request for Proposal (“RFP”) process to evaluate pipeline and delivered  
3 supply options to replace this capacity. As a result of this process, Peoples TWP  
4 accepted the least-cost option and executed an agreement on August 27, 2013 with Hess  
5 Corporation for firm delivered supply for two years which provides the Company with  
6 7,000 Dth/d of firm deliverability at the Pittsburgh TGP Pittsburgh Terminal city-gate  
7 without the monthly pipeline demand costs of a pipeline contract for firm capacity and  
8 without a mandatory take provision.

9  
10 **Q. PLEASE EXPLAIN THE RFP PROCESS THAT PEOPLES TWP CONDUCTED**  
11 **AS A RESULT OF THE JOINT SETTLEMENT AGREEMENT IN THE 2013**  
12 **PGC CASE.**

13 A. As one of the conditions in the PGC-2013 Joint Settlement Agreement, Peoples TWP was  
14 required to undertake a Request for Proposal (“RFP”) process to find a replacement for  
15 the expiring TGP capacity. The RFP was to explore a full range of service options  
16 including extension of the existing TGP contract, segmenting the TGP contract or  
17 replacing it with a delivered peaking or comparable short notice, seasonal service. An  
18 RFP was sent by Peoples TWP on June 15, 2013 to thirty potential suppliers with the  
19 potential to provide service. The company received two responses in addition to the TGP  
20 Storage Service. The two responses received from third parties were both delivered firm  
21 supply deals utilizing TGP delivery points. The Company spoke with its representative at  
22 TGP and they were only willing to offer a full tariff service at the specified delivery  
23 points. The non-respondents did not provide offers as they were unwilling to provide

1 service sufficient to satisfy the needs at this delivery point. After discussions with the  
2 respondents and several non-responders Peoples TWP determined that a delivered firm  
3 supply deal with Hess Corporation was the best option with the lowest price.  
4

5 **Q. PLEASE DISCUSS THE RATIONALE FOR EXTENDING THE TCO FIRM**  
6 **TRANSPORTATION AGREEMENT.**

7 A. Peoples TWP's TCO FT agreement for 3,257 Dth per day of interstate pipeline capacity  
8 was scheduled to expire as of October 31, 2013. This capacity is used to deliver gas  
9 supplies on the Columbia system to an interconnection with Peoples TWP located west of  
10 the City of Butler. Based on how the Company historically utilized this capacity, it was  
11 determined that the capacity should be renewed. After discussions with TCO, Peoples  
12 TWP negotiated a two-year extension rather than going through the capacity bidding  
13 process associated with FERC's right of first refusal ("ROFR") requirements, which  
14 could have resulted in the Company being forced to choose between signing a longer-  
15 term extension or giving up the capacity. Based upon Peoples TWP Stoner Modeling, it  
16 is apparent that capacity in this area is important to the Design Peak Day capacity  
17 portfolio as it is a necessary source of gas to meet the utility system requirements on the  
18 Northeast side of the City of Butler.  
19

20 **Q. PLEASE EXPLAIN THE TCO AGREEMENTS THAT WERE NOT RENEWED**  
21 **AND HOW THEY WERE REPLACED WITH SERVICE FROM EQT.**

22 A. On December 10, 2013, as set forth in the Joint Application Proceeding at Docket No.'s  
23 A-2013-2353647, A-2013-2353649 and A-2013-2353651 and approved by Order entered

1 November 14, 2013 (“Equitable Acquisition”), the Company entered into a firm storage  
2 agreement under Equitrans Rate Schedule 60SS and a no-notice firm transportation  
3 agreement under Equitrans Rate Schedule NOFT. These agreements will provide  
4 Peoples TWP with firm storage and related transportation capacity to replace existing  
5 pipeline capacity under contract with TCO and DTI. The capacity under these Equitrans  
6 contracts will ramp-up to coincide with the expiration of various TCO and DTI  
7 agreements which will expire on April 1, 2014, April 1, 2015, April 1, 2018 and April 1,  
8 2022. Both Equitrans agreements have a 20-year term commencing April 1, 2014. The  
9 rates for both the storage and firm transportation service are negotiated rates that are less  
10 than the Equitrans recourse rates for the services and less than the current cost for this  
11 same capacity under the existing TCO and DTI agreements. Through the Commission  
12 Order referenced above, Peoples TWP received approval of the Equitrans storage and  
13 transportation agreements pursuant to Section 2204(e)(4), 66 Pa.C.S. §2204(e)(4).

14 Accordingly, during the Historical Period Peoples TWP did not exercise its ROFR  
15 rights on the existing FSS Agreements (four agreements with 1,500,140 Dths of capacity)  
16 and SST Agreements (four agreements with 25,668 Dths of deliverability) set to expire  
17 on March 31, 2014. Peoples TWP instead entered into agreements with EQT to replace  
18 the capacity under these contracts. The EQT contracts provide peak demand period daily  
19 deliverability of 27,500 Dth and storage capacity of 1,500,000 Dth for the storage  
20 withdrawal period of November 1, 2014 through March 31, 2015.

1 V. PEOPLES TWP/PEOPLES EXCHANGE AGREEMENT

2 Q. PLEASE EXPLAIN THE GAS EXCHANGE AGREEMENT BETWEEN  
3 PEOPLES TWP AND PEOPLES.

4 A. The gas exchange agreement provides for an exchange of equivalent volumes between  
5 Peoples and Peoples TWP where the receipt of gas from the other party would provide  
6 for more efficient operation of the recipient's system and will improve service reliability  
7 for both companies. Under the exchange arrangement, Peoples TWP receives gas from  
8 Peoples at a new interconnection located in Mars, PA. In exchange, Peoples receives  
9 equivalent volumes of gas from Peoples TWP at various interconnections.

10 On September 28, 2011, Peoples TWP and Peoples made a filing requesting  
11 Commission approval of their agreement for the exchange of gas. The filing was  
12 designated Docket No. G-2011-2265150 and an amended agreement was ultimately  
13 approved by the Commission on March 15, 2012. In addition, Peoples TWP and Peoples  
14 filed a further proposal related to the exchange of gas between the companies on  
15 November 20, 2013, which is still pending Commission approval.

16 One of the exchange agreement commitments made by Peoples and Peoples TWP  
17 in the original agreement was that both companies will provide reports in their 2012 and  
18 2013 1307(f) filings showing the daily and monthly volumes delivered at each of the  
19 interconnections. In the additional proposal, the Company agreed to continue to provide  
20 these reports during the life of the agreement. The commitments further provide that the  
21 reports will also show the cost of gas delivered at each interconnection and any impacts  
22 on gas costs as a result of any imbalance created by the exchange. Exhibit No. APW-2 to

1 this testimony provides the required report showing the volumes and cost impacts of the  
2 exchange during the Historical period.

3  
4 **VI. EXHIBIT WALK-THROUGH**

5 **EXHIBIT NO. 2**

6 **Q. EXPLAIN THE PURPOSE OF EXHIBIT NO. 2.**

7 A. Exhibit No. 2 provides a detailed summary, on a monthly basis, of all sources of  
8 purchased gas supply and their associated costs for the period December 2012 through  
9 November 2013 (the "Historical Period"). Exhibit No. 2 categorizes gas purchases into  
10 groups. These groups include gas transported to Peoples TWP's city-gate by the  
11 interstate pipelines, (i) TCO (ii) TGP, (iii) TETCO, (iv) DTI, (v) EQT, and gas purchased  
12 from local Pennsylvania gas producers for direct injection into Peoples TWP's pipeline  
13 system. The volume of gas purchased is expressed in Mcf for local Pennsylvania  
14 purchases and Dekatherms ("Dth") for interstate gas purchases. The rate column  
15 includes, for gas sourced on interstate pipelines, the capacity reservation charges,  
16 transportation commodity rates, surcharges, and the commodity cost of interstate gas  
17 supplies. For gas purchased from local producers, the rate column includes the wellhead  
18 prices paid for the various categories of local Pennsylvania gas. The cost column reflects  
19 the product of the Dth/Mcf and rate columns.

1           **EXHIBIT NOS. 3 AND 4**

2   **Q.   PLEASE DESCRIBE EXHIBIT NOS. 3 AND 4.**

3   A.   Exhibit No. 3 provides the details of Peoples TWP's projected cost of purchased gas for  
4       the period December 2013 through July 2014 (the "Interim Period"), while Exhibit No. 4  
5       reflects the projected gas cost information for the period August 2014 through July 2015  
6       (the "Projected Period").

7  
8   **Q.   HAS PEOPLES TWP MADE ANY CHANGES FROM THE PRIOR YEAR TO**  
9       **THE FORMAT UTILIZED IN EXHIBIT NOS. 3 OR 4?**

10  A.   No.

11  
12 **Q.   PLEASE IDENTIFY AND DESCRIBE THIS FORMAT.**

13  A.   The formats for Exhibit Nos. 3 and 4 are similar. The following is a description of the  
14       information provided on each page:

15       Page 1 – Interstate Pipeline Reservation Charges:

16       This schedule provides a list of the existing interstate pipeline services showing the  
17       contract number, contract volume, and the applicable tariff rate. The product of the  
18       contract volume and tariff rate is reflected as the monthly reservation charge. A recap of  
19       reservation charges, separated into those associated with firm transportation ("FT") and  
20       firm storage ("FS") service is presented at the bottom of Page 1. This separation of the  
21       reservation charges facilitates the unbundling of these charges as shown on Exhibit No. 5,  
22       Page 2 of 4.

1 Page 2 – Commodity Cost:

2 This page summarizes the commodity cost of the interstate FT and interstate FS services  
3 and the gas supply commodity costs of both interstate-sourced and local Pennsylvania  
4 purchases. The amounts reflected on this page are derived from the data presented on  
5 Pages 3 through 10 as discussed below.

6 Page 3 – City-Gate Volume:

7 This is a schedule of the gas volumes received, expressed in Mcf, at Peoples TWP’s city-  
8 gate interconnections with (i) the interstate pipelines and (ii) local Pennsylvania gas  
9 producers.

10 Page 4 – Transportation Commodity Volume:

11 Commodity gas volumes transported, expressed in Dth, by the interstate pipelines for  
12 delivery to Peoples TWP’s city-gate interconnections are listed on this schedule.

13 Page 5 – Transportation Commodity Rate:

14 The FERC-approved interstate pipeline FT commodity rates and FS service  
15 injection/withdrawal rates, expressed per Dth, are shown on this schedule.

16 Page 6 – Transportation Commodity Cost:

17 The amounts stated on this schedule are the product of the volumes on Page 4 and the  
18 interstate pipeline tariff rates on Page 5.

19 Page 7 – Purchase Volumes:

20 The quantities of gas purchased for delivery by the interstate pipelines serving Peoples  
21 TWP, expressed in Dth, and the volumes purchased and received from Pennsylvania  
22 producers, expressed in Mcf, are shown on this schedule.



1 Page 8 – Gas Supply Priced Rates:

2 This schedule shows the commodity prices for all interstate-sourced gas supplies,  
3 expressed per Dth, and all local Pennsylvania gas purchases, expressed per Mcf.

4 Page 9 – Gas Supply Costs:

5 The amounts on this schedule are merely the product of the volumes on Page 7 and the  
6 commodity prices on Page 8.

7 Page 10 – Storage Costs:

8 This schedule summarizes the planned monthly injection and withdrawal activity of  
9 interstate pipeline and Pennsylvania storage service.

10  
11 **Q. PLEASE REFER TO PAGE 3 OF EXHIBIT NOS. 3 AND 4. HOW DID THE**  
12 **COMPANY FORECAST THE CITY-GATE QUANTITIES RECEIVED UNDER**  
13 **THE FT CONTRACTS?**

14 A. The interstate pipeline quantities shown on these Exhibits include gas projected to be  
15 purchased and transported to the city-gate under the Company's firm transportation  
16 service agreements and the use of the capacity available under the storage service  
17 agreements, net of the volumes retained for fuel and shrinkage by the interstate pipelines.

18  
19 **Q. HOW ARE THE MONTHLY WITHDRAWAL AND INJECTION VOLUMES**  
20 **FOR INTERSTATE PIPELINE STORAGE SERVICES FORECASTED?**

21 A. The monthly withdrawal volumes are based on projected system-wide ratepayer load  
22 requirements, under normal temperature conditions, subject to the restrictions set forth in

1 the FERC-approved interstate pipeline tariffs. The monthly injection volumes are subject  
2 to the requirements specified in the interstate storage service agreements.

3  
4 **Q. REFERENCE PAGE 7 OF EXHIBIT NOS. 3 AND 4. PLEASE DESCRIBE HOW**  
5 **THE PURCHASE VOLUMES WERE DETERMINED.**

6 A. The purchase volumes include the city-gate commodity volumes projected to be received  
7 from the interstate pipelines (including the volumes retained by the interstate pipelines  
8 for fuel and shrinkage) and Pennsylvania producers. The interstate purchases represent  
9 the volume of gas Peoples TWP must purchase at the interstate pipelines' receipt points  
10 in order to receive the required volumes at Peoples TWP's city-gate. The difference  
11 between the volume of gas purchased and the volume of gas received at the city-gate is  
12 the gas used as fuel by the interstate pipelines or lost due to shrinkage. The projected  
13 purchase volumes are developed based on typical winter load requirements.

14  
15 **Q. HOW HAS THE COMPANY PRESENTED THE VOLUMES AND COST OF**  
16 **PENNSYLVANIA GAS PREVIOUSLY IDENTIFIED IN CATEGORIES 1-7 BUT**  
17 **SUBJECT TO PUC APPROVED GAS PRICE MODIFICATION IN THE PGC-**  
18 **2006, PGC-2007 AND PGC-2009 CASES?**

19 A. Such purchases are presented in Exhibit Nos. 2, 3 and 4 within the Local Pennsylvania  
20 Purchases section and referred to as "Category No. 8" purchases.

21  
22 **Q. PLEASE EXPLAIN HOW PEOPLES TWP HAS INCORPORATED THE COST**  
23 **OF GAS PURCHASED FOR INJECTION INTO AND WITHDRAWN FROM**

1           **INTERSTATE AND PENNSYLVANIA STORAGE IN THIS SECTION OF THE**  
2           **1307(F) FILING.**

3    A.    The cost of gas injected into storage during the injection season (April through October)  
4           was deferred at the time of purchase and recorded as a balance sheet storage inventory  
5           asset. When the gas is withdrawn from storage during the withdrawal season (November  
6           through March), the product of the volume withdrawn and the average cost of gas in  
7           storage inventory is charged as a purchased gas cost. A summary of this generally-  
8           accepted method of accounting for storage gas was reflected on Page 10 of both Exhibit  
9           Nos. 3 and 4.

10  
11   **Q.    PLEASE DESCRIBE FURTHER HOW THE COMPANY REFLECTED THE**  
12           **VOLUME AND COST OF GAS PURCHASED FOR INTERSTATE AND**  
13           **PENNSYLVANIA STORAGE IN EXHIBIT NOS. 3 AND 4.**

14   A.    The total volume of gas purchased at the receipt points on the system, including that  
15           which will be delivered to the city-gate and that which will be injected into storage, is  
16           reported on Page 7 of Exhibit Nos. 3 and 4. Page 3 of Exhibit Nos. 3 and 4, shows the  
17           volume of gas (i.e., net of fuel), including storage, delivered to the Company's city-gate.  
18           Page 2 of Exhibit Nos. 3 and 4 presents a summary of the Commodity Cost of all gas  
19           purchased for each month inclusive of the cost of gas purchased for injection into storage.  
20           At the bottom of Page 2, the cost of gas purchased for storage injection during the  
21           injection season is subtracted from the Total Commodity Cost. Conversely, during the  
22           storage withdrawal months, the cost of gas withdrawn from storage is added to the Total  
23           Commodity Cost. Page 10 of Exhibit Nos. 3 and 4 provides the monthly storage activity

1 including the volume and cost of purchased gas injected into and withdrawn from  
2 storage. Please note that the cost of gas withdrawn from storage reflects the weighted  
3 average cost of gas in storage at the end of the previous injection season.  
4

5 **Q. HOW ARE THE PURCHASES FROM THE ASSET MANAGEMENT**  
6 **ARRANGEMENTS (AMAS) REFLECTED IN EXHIBIT NOS. 3 AND 4?**

7 A. The AMAs involve the management of certain interstate storage assets, and purchases  
8 under these arrangements are treated similarly to Peoples TWP's purchases of gas for  
9 storage under the storage contracts that Peoples TWP manages. The Company does not  
10 reflect any cost of gas injected into storage as it does not pay the cost of the gas supplies  
11 at the time they are injected into storage under these arrangements. Rather, the cost of  
12 gas purchased for injection under these AMAs is paid for by the Company at the time of  
13 withdrawal from storage and such costs are charged to ratepayers at that time as a  
14 purchased gas cost.  
15

16 **Q. PLEASE EXPLAIN THE METHODOLOGY USED TO FORECAST LOCAL**  
17 **PENNSYLVANIA GAS SUPPLY VOLUMES IN EXHIBIT NOS. 3 AND 4.**

18 A. Local Pennsylvania gas supply volumes were based upon the historical volumes  
19 purchased under each respective vintage of Pennsylvania gas purchase agreements after  
20 taking into consideration the release of Pennsylvania-sourced gas supplies to  
21 transportation customers, the normal depletion of gas well production, and the gas  
22 production associated with the attachment of new gas wells to the system and other  
23 factors. These gas supply volumes were adjusted, where necessary, to take into

1 consideration the fluctuation in retail gas sales load due to seasonal temperature  
2 variations.

3  
4 **EXHIBIT NOS. 7 & 8**

5 **Q. PLEASE DESCRIBE EXHIBIT NOS. 7 AND 8.**

6 **A.** Exhibit No. 7 provides a summary of the Company's off-system sales during the  
7 Historical Period and Exhibit No. 8 is a summary of the Company's capacity release  
8 during the Historical Period.

9  
10 **VII. ASSET MANAGEMENT AGREEMENTS**

11 **Q. WHAT IS THE STATUS OF THE ASSET MANAGEMENT AGREEMENTS**  
12 **(AMA) ENTERED INTO WITH RESPECT TO PEOPLES TWP'S TCO**  
13 **INTERSTATE PIPELINE STORAGE AND RELATED FT AGREEMENTS?**

14 **A.** In May 2013, Peoples TWP extended the existing AMA related to the storage and firm  
15 transportation capacity of certain TCO's storage assets for eleven months or until March  
16 31, 2014 to coincide with the termination of the related TCO capacity. The management  
17 fee, reflected in Exhibit Nos. 2, 3 and 4, has decreased primarily due to the market values  
18 associated with natural gas storage assets.

19  
20 **VIII. CAPACITY RELEASES**

21 **Q. PLEASE EXPLAIN PEOPLES TWP'S PRACTICES WITH RESPECT TO**  
22 **CAPACITY RELEASES.**

1 A. Peoples TWP views capacity release primarily as a mitigation measure through which the  
2 Company can recapture a portion of the capacity reservation costs that are paid to the  
3 pipelines from replacement shippers who may be interested in buying the capacity when not  
4 required to meet system supply needs. As a general matter, however, Peoples TWP does  
5 not have a lot of surplus capacity for release purposes because it has assembled an efficient  
6 capacity portfolio. Peoples TWP uses transportation capacity during the summer months to  
7 meet its reduced load and fill storage. During the winter months, firm transportation  
8 capacity is used in conjunction with storage withdrawals to meet higher cold weather  
9 demands. Therefore, most of the contracted capacity is utilized year-round, or is capacity  
10 that is held to meet unexpected daily and seasonal demands. Moreover, as a general rule,  
11 when Peoples TWP does not need all of the capacity it holds, the market generally does not  
12 need the capacity either, therefore Peoples TWP only recovers a fraction of the original  
13 costs.

14  
15 **Q. DID PEOPLES TWP HAVE ANY RELEASES OF CAPACITY DURING THE**  
16 **PGC-2014 HISTORICAL PERIOD?**

17 A. Yes. The details of the various releases of capacity during the PGC-2014 Historical Period  
18 are outlined in the response to Filing Requirement Response No. 7 and presented in Exhibit  
19 No. 8.

20  
21 **Q. HOW DOES PEOPLES TWP TREAT CAPACITY RELEASE REVENUES IN**  
22 **THE CALCULATION OF ITS NATURAL GAS SUPPLY RATES?**

1 A. All capacity release is shared consistent with the Company's capacity release sharing  
2 mechanism. Accordingly, 75% of all capacity release revenue is credited to gas costs.

3

4 **IX. OFF-SYSTEM SALES**

5 **Q. DID PEOPLES TWP UNDERTAKE ANY OFF-SYSTEM SALES DURING THE**  
6 **PGC-2014 HISTORICAL PERIOD?**

7 A. Peoples TWP did not initiate any traditional off-system sales during the PGC-2014  
8 Historic Period.

9

10 **Q. WHAT DO YOU MEAN BY "TRADITIONAL" OFF-SYSTEM SALES?**

11 A. There are times when excess pipeline capacity and market conditions align and utilities  
12 are able to make opportunity sales to customers located off of the utility system, usually  
13 on an interstate pipeline, that result in a positive margin. Peoples TWP did not engage in  
14 these types of arrangements in the PGC-2014 Historic Period.

15

16 **Q. WHAT TYPE OF OFF-SYSTEM SALES DID PEOPLES TWP ENTER INTO**  
17 **DURING THE PGC-2014 HISTORIC PERIOD?**

18 A. As discussed in Filing Requirement Response No. 7 and presented in Exhibit No. 7,  
19 Peoples TWP developed and executed a strategy whereby, when market prices were  
20 favorable, the Company was able to sell gas withdrawn from its TGP Bear Creek Storage  
21 in Louisiana and replace that gas with purchases here in Peoples TWP's market area.  
22 These transactions allowed Peoples TWP to avoid the TGP transportation costs  
23 associated with transporting the Bear Creek storage withdrawals from Louisiana to

1 western Pennsylvania, which resulted in a net savings of \$70,516. Based on Peoples  
2 TWP inventory cost, the strategy allowed the Company to avoid about \$0.24 per Dth of  
3 incremental transportation costs for the months of December 2012 through March 2013.  
4 This strategy could only be executed on days when market conditions and system supply  
5 allowed. All of the resulting savings were flowed to 1307(f) ratepayers.

6  
7 **Q. DOES PEOPLES TWP PLAN TO CONTINUE OFF-SYSTEMS SALES IN THE**  
8 **FUTURE?**

9 A. While the Bear Creek situation described above is no longer available to the Company we  
10 will continue to look for opportunities that make themselves available and as market  
11 conditions warrant. Please refer to Statement No. 1 – the Direct Testimony of Lynda W.  
12 Petrichevich for a discussion about an off-system sharing mechanism.

13  
14 **X. LOCAL GAS PRICING CHANGE**

15 **Q. PLEASE EXPLAIN ANY CHANGES RELATED TO LOCAL GAS PRICING.**

16 A. Effective March 1, 2014 the Company is proposing a change in price for some low  
17 producing wells currently at vintage pricing.

18  
19 **Q. BEFORE YOU EXPLAIN THIS CHANGE WHAT ARE THE TYPES OF**  
20 **CONTRACTS FOR LOCAL GAS THAT CURRENTLY EXIST AT PEOPLES**  
21 **TWP?**

22 A. The two types of local production contracts that the Company enters into are either  
23 Dedicated or Non-Dedicated contracts.



1 Dedicated contracts consist of "Vintage" contracts and contracts tied to market  
2 prices and for the most part, have a term equal to the productive life of the related gas  
3 wells. The vintage contracts consist of two types: (1) traditional vintage contracts which  
4 contain a fixed price ("vintage price contract") per Mcf and (2) revised larger volume  
5 vintage contracts which converted traditional fixed price vintage contracts into contracts  
6 that contain a percent of market pricing mechanism ("standard local field price contract")  
7 as approved in the PGC-2006 (Docket No. R-00051134) and PGC-2007 (Docket No. R-  
8 00061961) settlements. As the term indicates, "Vintage" contracts are old contracts  
9 between Peoples TWP and producers that contain very low, fixed price terms. These  
10 wells have been connected to the Peoples TWP system and producing gas for many  
11 years.

12  
13 **Q. WHAT IS YOUR PROPOSAL RELATED TO CHANGING THE**  
14 **CONTRACTUAL RATES PAID FOR VINTAGE PRICE CONTRACTS?**

15 A. I am seeking approval to release older low-producing, fixed-price vintage gas purchase  
16 contracts containing uneconomic wells from their lifetime dedication to the utility  
17 pursuant to a recent settlement term.

18  
19 **Q. PLEASE FURTHER EXPLAIN THE LOW-PRODUCING WELL RELEASE**  
20 **THAT YOU PROPOSE.**

21 A. The Company is proposing to eventually increase the price of certain fixed price vintage  
22 contracts that contain uneconomic producing wells to market based pricing.

23

1 **Q. WHY IS THIS CHANGE BEING PROPOSED?**

2 A. At various times, producers have asserted that the low-producing wells under these fixed-  
3 price vintage contracts are uneconomic for continued gas production and may be shut-in,  
4 plugged and abandoned. In the Equitable Acquisition proceeding, the Company  
5 committed to seek approval through the 1307(f) process to permit the release of older  
6 low-producing wells under the same conditions previously approved for Peoples. More  
7 specifically the Company committed to the following language: "*Peoples and Peoples*  
8 *TWP agree after Closing: (i) that Peoples will seek approval through the 1307(f) process*  
9 *to apply to the Peoples TWP and Equitable systems the PES agreement provisions*  
10 *permitting the release of older low-producing wells (Section 4.04.a., b. & c. and Section*  
11 *4.05, as applicable).*"

12 Section 4.04 a., b & c of the Production Enhancement Service ("PES") agreement  
13 has the following salient terms:

- 14
- 15 a. The Company will release any individual meter having cumulative  
16 production from all wells measured through it of less than 10 Mcf per  
17 day from local gas system supply gas purchase contracts having an  
18 initial term of 25 years or longer.
- 19
- 20 b. In exchange for the Company releasing such meters from gas purchase  
21 contracts having an initial term of 25 years or longer, the producer of  
22 said wells agrees to enter into a gas purchase contract with the Company  
23 for a two-year term, with production being purchased by the Company  
24 during the first year for a Mcf price equal to 80% of the "Inside FERC"  
25 Dominion Transmission, Inc. Appalachia first of the month index price,  
26 and for a Mcf price equal to 103% of the "Inside FERC" Dominion  
27 Transmission, Inc. Appalachia first of the month index price for the  
28 second year of the contract term.
- 29
- 30 c. Thereafter, the producer shall be free to sell natural gas produced from  
31 these wells to any party, including the Company.  
32  
33

1 **Q. WHAT DO YOU MEAN BY UNECONOMIC?**

2 A. Producers have informed us that it is no longer economic to produce natural gas from  
3 their lower volume, lower priced wells. If a well is producing 10 Mcf/day, and is  
4 receiving a weighted average price of \$1.62/Mcf, it would only produce gross revenue of  
5 approximately \$500/month/well. From these gross revenues, the producer must deduct  
6 applicable royalties, overriding royalties, well-tending charges, low volume meter fees,  
7 and expenses for miscellaneous valves and fittings, miscellaneous labor, charts, chart  
8 pens, and chart integration, well road snow plowing and maintenance, compression, well  
9 bailing or swabbing, brine hauling and brine disposal. The well is considered uneconomic  
10 when the costs and fees associated with its continued operation are so high that the net  
11 revenues do not justify continued operation.

12  
13 **Q. HOW DOES PEOPLES TWP PROPOSE TO ADDRESS THIS ISSUE?**

14 A. We are asking the Commission to allow Peoples TWP to offer to release from the fixed-  
15 price and dedicated supply contract terms those meter stations at which less than 10  
16 Mcf/day of gas is measured over a consecutive twelve-month period under contracts  
17 having an initial term of 25 years or longer. If the release offer is accepted, as  
18 consideration, the producer would have to agree to sell the gas to Peoples TWP at an  
19 initially discounted rate for the first year and the standard local purchase price for the  
20 second year. Effective August 1, 2014 I propose the rate to be an Mcf price equal to 80%  
21 of the then-standard price the Company pays for local gas for an initial twelve  
22 consecutive month term and then another twelve month term at our then-standard local

1 purchase price. Thereafter, the production would be released from the fixed-price and  
2 dedicated supply contract.

3  
4 **Q. HOW MANY WELLS DO YOU ESTIMATE THIS WOULD BE AND WHAT**  
5 **IMPACT WOULD THIS HAVE ON THE GAS COSTS OF THE UTILITY?**

6 A. Using October 31, 2013 data this proposal would initially impact approximately 49,000  
7 Mcf of annual production. Immediately this would increase the price of these contracts  
8 on average \$1.88 per Mcf and add annual costs of about \$92,000, but the long-term cost  
9 impact is expected to be minimal. This additional \$92,000 was reflected in the projected  
10 period costs on Row 11 on Page 2 of Exhibit No. 6.

11  
12 **Q. IS THERE PRECEDENT FOR RE-PRICING VINTAGE CONTRACTS IN**  
13 **PREVIOUS PEOPLES TWP CASES OR IN THE CASES OF ANY OF ITS**  
14 **AFFILIATES?**

15 A. Yes. As previously mentioned, Peoples TWP sought and received approval to modify the  
16 pricing for certain large volume vintage fixed-price contracts in both its 2006 and 2007  
17 1307(f) proceeding. Furthermore, Peoples sought and gained approval in its 2005  
18 1307(f) proceeding (Docket No. R-00050267) for the identical proposal to release low  
19 producing wells from their dedication.

20  
21 **XI. UNACCOUNTED FOR GAS**

22 **Q. WHAT ASPECTS OF UNACCOUNTED FOR GAS (“UFG”) WILL YOU**  
23 **ADDRESS?**

1 A. I will describe the UFG analysis conducted by Peoples TWP and will make  
2 recommendations for future actions. I will also describe planned UFG projects and the  
3 associated capital budget for these initiatives.  
4

5 **Q. WHAT WAS THE PERCENTAGE OF UFG FOR 2013 AND WHAT IS THE**  
6 **THREE YEAR AVERAGE?**

7 A. The percentage UFG was 2.31% for the twelve months ending (“TME”) July 31, 2013 as  
8 compared to 3.52 % for the TME July 31, 2012, a decrease in UFG of 34%. The most  
9 recent three-year average of UFG (2011-2013) is 3.01% compared to the previous three-  
10 year average (2010-2012) of 3.38%. This represents a decrease of 11%. It should be  
11 noted that this rate differs from what is calculated by Peoples TWP’s witness  
12 Petrichevich as retainage rates as the calculation on which retainage is based includes  
13 both UFG and company use gas.  
14

15 **Q. ARE YOU RECOMMENDING ANY CHANGES AS A RESULT OF THE**  
16 **RULEMAKING ORDER ISSUED AT DOCKET NO. L-2012-2294746**  
17 **REGARDING ESTABLISHING A UNIFORM DEFINITION AND METRICS**  
18 **FOR UNACCOUNTED-FOR-GAS?**

19 A. No, not in this proceeding. As part of this Rulemaking, the Commission issued rules that  
20 attempt to standardize the calculation of UFG. In addition, it required annual reports due  
21 September 30 of each year for the TME August 31<sup>st</sup> of each year starting in 2014. As  
22 such, the Company recommends that in next year’s PGC case UFG data should be

1 reported for the TME August 31, 2014 and this period should also be used in calculating  
2 the retainage rate in next year's case.

3  
4 **Q. PLEASE DESCRIBE THE COMMITMENT PEOPLES TWP MADE IN THE**  
5 **JOINT PETITION FOR APPROVAL OF SETTLEMENT APPROVED BY**  
6 **COMMISSION ORDER OF MAY 23, 2011 IN DOCKET NO. A-2010-2210326**  
7 **RELATED TO UFG.**

8 A. Peoples TWP committed to a collaborative effort with Peoples to review UFG plans and  
9 initiatives which led to the creation of a best practices evaluation that was submitted in  
10 Peoples TWP's 2012 1307(f) case with the direct testimony of Paul W. Becker as PWB  
11 Exhibit 1. As explained in Mr. Becker's testimony, the evaluation identified six broad  
12 best practices for UFG and 25 detailed programs within those broad categories. Peoples  
13 TWP implemented 5 of the 6 best practices and 24 of 25 programs recommended by the  
14 evaluation.

15  
16 **Q. PLEASE DESCRIBE THE COMMITMENT PEOPLES TWP MADE IN THE**  
17 **JOINT PETITION FOR APPROVAL OF SETTLEMENT APPROVED BY**  
18 **COMMISSION ORDER OF MAY 23, 2011 IN DOCKET NO. A-2010-2210326**  
19 **RELATED TO UFG.**

20 A. Peoples TWP committed to a collaborative effort with Peoples to review UFG plans and  
21 initiatives which led to the creation of a best practices evaluation that was submitted in  
22 Peoples TWP's 2012 1307(f) case with the direct testimony of Paul W. Becker submitted  
23 in Peoples TWP's 2012 1307(f) case as PWB Exhibit 1. As explained in Mr. Becker's

1 testimony, the evaluation identified six broad best practices for UFG and 25 detailed  
2 programs within those broad categories. Peoples TWP implemented 5 of the 6 best  
3 practices and 24 of 25 programs recommended by the evaluation.  
4

5 **Q. HAS THE COMPANY CONTINUED TO IMPLEMENT THE BEST PRACTICES**  
6 **AND PROGRAMS AS IDENTIFIED IN THE UFG STUDY PRESENTED IN**  
7 **PGC-2013?**

8 A. Yes. Peoples TWP has continued its existing successful UFG programs.  
9

10 **Q. HAS THE COMPANY LOOKED INTO OTHER BEST PRACTICES?**

11 A. Yes. Last year's review of the companies' UFG best practices were considered and it  
12 was determined that segmenting our pipeline system by adding measurement to isolate  
13 pipeline operating areas was a practice we should adopt. In 2012, segmentation options  
14 were reviewed for several pipeline systems with the hope that we could quantify UFG on  
15 pipelines that gather production gas. From that review, we settled on developing plans  
16 for segmenting the Schmidt Compressor suction pipeline system, which consists of  
17 approximately 70 customers and 38 producer interconnects. During the month of  
18 December 2013, three segmentation meters were installed at key locations (Howard  
19 Junction, Iselin Regulator, and the Schmidt Compressor Inlet) to isolate the Schmidt  
20 pipeline system. This project has sufficient measurement that will allow us to better  
21 separate actual distribution UFG levels from UFG experienced on a representative  
22 sample of non-distribution pipeline. The Commission's recently issued regulations on  
23 unaccounted-for gas requires NDGCs to segment and report on distribution system UFG.

1 The actual measurement cost for each meter is \$45,000 plus costs associated with  
2 installation and monitoring. Peoples TWP plans to use this measurement as well as the  
3 measurement on producer meters and customer meters to determine UFG on this pipeline  
4 system and report the results in the next 1307(f).

5  
6 **Q. WHAT ARE YOUR PLANS FOR SEGMENTATION?**

7 A. Peoples TWP will monitor and examine the results of the Schmidt segmentation study to  
8 determine if non-distribution are impacting overall UFG. We will consider taking  
9 additional steps to determine root cause of non-distribution UFG and take prudent action  
10 to remediate those issues. If non-distribution UFG is significant, we will also explore  
11 additional segmentation projects on other non-distribution pipeline systems and  
12 recommend additional segmentation measurement in the next 1307(f).

13  
14 **Q. HAVE YOU IMPLEMENTED OTHER UFG PROGRAMS?**

15 A. Yes, Peoples TWP has reviewed pipelines that do not directly serve customers to identify  
16 facilities that are obsolete and do not impact our ability to serve customers. We have  
17 identified 164,000 feet of pipeline that due to the age, material and leak history should be  
18 considered for abandonment or sale. Some of these facilities benefit producers who are  
19 interconnected and delivering gas to Peoples TWP. We have contacted those affected  
20 producers to collaboratively look at how they can purchase these pipelines or reconnect  
21 to other pipelines in our system. If agreement is reached on selling these facilities, we  
22 will make the appropriate filing with the PUC for approvals.



1 **Q. HOW WILL THIS BENEFIT CUSTOMERS AND REDUCE UFG?**

2 A. We believe that these pipelines are prone to leak due to the age, material and most  
3 importantly leak history. Most of these pipelines are bare steel and eventually would be  
4 replaced under the Long Term Infrastructure Improvement Plan (“LTIIIP”) so the  
5 customers would benefit from cost avoidance both capital and expense. We do not have  
6 measurement on individual pipelines so we cannot quantify the UFG impact but the leak  
7 history indicates that these facilities do contribute to our lost gas and thus UFG.

8  
9 **Q. HAVE YOU IMPLEMENTED OTHER UFG PROGRAMS?**

10 A. Yes, Peoples TWP has reviewed all the producer interconnects to determine if a subset  
11 should be considered for abandonment. We have identified interconnects that have not  
12 delivered gas in the last 12 months. Those interconnects could impact UFG if gas was  
13 back flowing unchecked. The producers were contacted to determine if they no longer  
14 need this interconnect or plan on resuming production in the near future. The result was  
15 77 interconnects that could be abandoned. Peoples TWP is in the process of removing  
16 these interconnects. We will continue this program annually to eliminate non-essential  
17 interconnects.

18  
19 **Q. DO YOU HAVE ANY ADDITIONAL RECOMMENDATIONS FOR ACTIONS  
20 TO BE TAKEN IN 2014 TO ADDRESS UFG?**

21 A. Yes. We should continue our existing successful UFG programs, report on our  
22 segmentation study, implement our obsolete pipeline abandonment/sale program,

1 continue our zero flow producer interconnect program, and make a recommendation for  
2 further studies if the results justify further examination.

3

4 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

5 A. Yes, it does. However, I reserve the right to supplement my testimony as additional  
6 issues arise during the course of this proceeding.

# Appendix A

**Testimony of Andrew P. Wachter**  
**Appendix A**  
**Schedule of Testimony Filed**  
**As of January 31, 2014**

<b>Company</b>	<b>Case</b>	<b>Docket No.</b>
T. W. Phillips Gas and Oil Co.	1307(f) – PGC-2005	R-00040059
T. W. Phillips Gas and Oil Co.	1307(f) – PGC-2006	R-00051134
T. W. Phillips Gas and Oil Co.	Base Rate Case	R-00051178
T. W. Phillips Gas and Oil Co.	1307(f) – PGC-2007	R-00061961
T. W. Phillips Gas and Oil Co.	1307(f) – PGC-2008	R-2008-2013026
T. W. Phillips Gas and Oil Co.	1307(f) – PGC-2009	R-2008-2075250
T. W. Phillips Gas and Oil Co.	1307(f) – PGC-2010	R-2009-2145441
T. W. Phillips Gas and Oil Co.	Base Rate Case	R-2010-2167797
T. W. Phillips Gas and Oil Co.	1307(f) – PGC-2011	R-2010-2211668
Peoples TWP LLC <sup>1</sup>	1307(f) – PGC-2012	R-2011-2273539
Peoples TWP LLC	Gas Procurement Charge and Price to Compare filing	R-2012-2327529
Peoples TWP LLC	1307(f) – PGC-2013	R-2013-2341604
Peoples TWP LLC	Petition for Approval of a Distribution System Improvement Charge	P-2013-2344595
Peoples Natural Gas Company LLC	Petition for Approval of a Distribution System Improvement Charge	P-2013-2344596
Peoples Natural Gas Company LLC	1307(f) – PGC-2013	R-2013-2350914
Peoples TWP LLC	Base Rate Case	R-2013-2355886

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<sup>1</sup> T. W. Phillips Gas and Oil Co. became Peoples TWP LLC as a result of the Steel River of North America LP acquisition on May 23, 2011.

Exhibit No. APW-1

Peoples & Peoples TWP Monthly Exchange Report													Exhibit No. APW-1
Affiliated Interest Agreement - Docket No. G-2011-2265150													
December 2012 - All Volumes in Mcf													
Peoples Receipt Points - Gas Delivered by Peoples TWP										Peoples TWP Receipt Pt.			Volume Due
Day	Burtner Rd.	Hannahstown	Knoch HS	Rebecca St.	Roenick	Moorehead Rd.	Saltsburg	White Twp.	Total All Pts.	Gas Delivered by Peoples			TWP/(PNG)
										Beaver St - Mars	Other	Total All Pts.	Imbalance
01	-	-	-	-	-	-	-	834	834	1,080	-	1,080	(246)
02	-	-	-	-	-	-	-	713	713	1,081	-	1,081	(368)
03	-	-	-	-	-	-	-	615	615	433	-	433	182
04	-	-	-	-	-	-	-	602	602	-	-	-	602
05	-	-	-	-	-	-	-	871	871	772	-	772	99
06	-	-	-	-	-	-	-	1,041	1,041	1,006	-	1,006	35
07	-	-	1	-	-	-	-	873	874	540	-	540	334
08	-	-	-	-	-	-	-	761	761	-	-	-	761
09	-	-	-	-	-	-	-	866	866	571	-	571	295
10	-	-	-	-	-	-	-	804	804	454	-	454	350
11	-	-	-	-	-	-	-	1,071	1,071	1,634	-	1,634	(563)
12	-	-	-	-	-	-	-	1,107	1,107	2,108	-	2,108	(1,001)
13	-	-	-	-	-	-	-	1,127	1,127	1,591	-	1,591	(464)
14	1	-	-	-	-	-	-	1,066	1,067	-	-	-	1,067
15	-	-	-	-	-	-	-	948	948	-	-	-	948
16	-	-	-	-	-	-	-	720	720	-	-	-	720
17	-	-	-	-	-	-	-	686	686	-	-	-	686
18	-	-	-	-	-	-	-	882	882	679	-	679	203
19	-	-	-	-	-	-	-	926	926	2,311	-	2,311	(1,385)
20	-	-	-	-	-	-	-	976	976	2,164	-	2,164	(1,188)
21	-	-	-	-	-	-	-	1,135	1,135	721	-	721	414
22	-	-	-	-	-	-	-	1,145	1,145	884	-	884	261
23	-	-	-	-	-	-	-	1,081	1,081	721	-	721	360
24	1	-	2	-	-	-	-	1,078	1,081	681	-	681	400
25	1	-	-	-	-	-	-	1,011	1,012	-	-	-	1,012
26	-	-	-	-	-	-	-	1,178	1,178	1,429	-	1,429	(251)
27	-	-	1	-	-	-	-	1,165	1,166	1,353	-	1,353	(187)
28	-	-	-	-	-	-	-	1,143	1,143	1,865	-	1,865	(722)
29	-	-	-	-	-	-	-	1,099	1,099	1,916	-	1,916	(817)
30	-	-	-	-	-	-	-	1,179	1,179	1,917	-	1,917	(738)
31	-	-	-	-	-	-	-	1,174	1,174	1,917	-	1,917	(743)
Total	3	-	4	-	-	-	-	29,877	29,884	29,828	-	29,828	56

Peoples & Peoples TWP Monthly Exchange Report										Exhibit No. APW-1			
Affiliated Interest Agreement - Docket No. G-2011-2265150													
January 2013 - All Volumes in Mcf													
Peoples Receipt Points - Gas Delivered by Peoples TWP										Peoples TWP Receipt Pt.			Volume Due
Day	Burtner Rd.	Hannahstown	Knoch HS	Rebecca St.	Roenick	Moorehead Rd.	Saltsburg	White Twp.	Total All Pts.	Gas Delivered by Peoples			TWP/(PNG)
										Beaver St - Mars	Other	Total All Pts.	Imbalance
01	-	-	1	-	-	-	-	1,131	1,132	1,975	-	1,975	(843)
02	-	-	-	-	-	-	-	1,285	1,285	991	-	991	294
03	1	-	4	-	-	-	-	1,283	1,288	1,356	-	1,356	(68)
04	6	-	35	-	-	-	-	1,464	1,505	1,200	-	1,200	305
05	1	-	2	-	-	-	-	1,134	1,137	1,060	-	1,060	77
06	-	-	-	-	-	-	-	1,003	1,003	721	-	721	282
07	-	-	-	-	-	-	-	1,094	1,094	951	-	951	143
08	-	-	-	-	-	-	-	1,104	1,104	1,263	-	1,263	(159)
09	1	-	2	-	-	-	-	985	988	1,949	-	1,949	(961)
10	1	-	-	-	-	-	-	1,007	1,008	1,447	-	1,447	(439)
11	-	-	-	-	-	-	-	1,065	1,065	1,421	-	1,421	(356)
12	-	-	-	-	-	-	-	669	669	963	-	963	(294)
13	-	-	-	-	-	-	-	525	525	209	-	209	316
14	-	-	-	-	-	-	-	829	829	492	-	492	337
15	-	-	-	-	-	-	-	1,052	1,052	721	-	721	331
16	20	-	1	-	-	-	-	1,039	1,060	722	-	722	338
17	-	-	-	1	-	-	-	1,062	1,063	722	-	722	341
18	1	-	-	-	-	-	-	1,166	1,167	1,094	-	1,094	73
19	-	-	12	-	-	-	-	861	873	751	-	751	122
20	-	-	-	-	-	-	-	962	962	721	-	721	241
21	3	-	-	-	-	-	-	1,224	1,227	841	-	841	386
22	19	-	17	-	-	-	-	1,569	1,605	1,376	-	1,376	229
23	18	-	193	215	-	-	-	2,741	3,167	2,007	-	2,007	1,160
24	10	-	148	306	-	-	-	2,598	3,062	1,678	-	1,678	1,384
25	11	-	66	97	-	-	-	2,922	3,096	3,171	-	3,171	(75)
26	2	-	87	8	-	-	-	2,468	2,565	1,917	-	1,917	648
27	8	-	1	-	-	-	-	1,270	1,279	4,713	-	4,713	(3,434)
28	-	-	19	10	-	-	-	1,286	1,315	2,993	-	2,993	(1,678)
29	-	-	-	-	-	-	-	744	744	581	-	581	163
30	-	-	-	-	-	-	-	648	648	240	-	240	408
31	1	-	-	-	-	-	-	1,855	1,856	-	-	-	1,856
Total	102	-	588	637	-	-	-	40,045	41,372	40,246	-	40,246	1,126

Peoples & Peoples TWP Monthly Exchange Report													Exhibit No. APW-1
Affiliated Interest Agreement - Docket No. G-2011-2265150													
February 2013 - All Volumes in Mcf													
Peoples Receipt Points - Gas Delivered by Peoples TWP										Peoples TWP Receipt Pt. Gas Delivered by Peoples			Volume Due
Day	Burtner Rd.	Hannahstown	Knoch HS	Rebecca St.	Roenick	Moorehead Rd.	Saltsburg	White Twp.	Total All Pts.	Beaver St - Mars	Other	Total All Pts.	TWP/(PNG) Imbalance
01	12	-	1	-	-	-	-	1,501	1,514	817	-	817	697
02	11	-	51	-	-	-	-	1,483	1,545	1,777	-	1,777	(232)
03	0	-	56	-	-	-	-	1,328	1,384	960	-	960	424
04	4	-	1	-	-	-	-	1,385	1,390	1,373	-	1,373	17
05	0	-	13	-	-	-	-	1,220	1,233	1,873	-	1,873	(640)
06	1	-	-	-	-	-	-	1,233	1,234	2,037	-	2,037	(804)
07	5	-	-	-	-	-	-	1,189	1,194	2,036	-	2,036	(842)
08	0	-	11	-	-	-	-	1,194	1,205	1,461	-	1,461	(256)
09	3	-	-	-	-	-	-	1,321	1,324	1,199	-	1,199	125
10	4	-	2	-	-	-	-	1,125	1,131	622	-	622	509
11	-	-	4	-	-	-	-	868	872	237	-	237	635
12	-	-	-	-	-	-	-	1,079	1,079	1,921	-	1,921	(842)
13	1	-	-	-	-	-	-	1,106	1,107	970	-	970	137
14	1	-	1	-	-	-	-	1,100	1,102	1,240	-	1,240	(138)
15	-	-	-	-	-	-	-	1,052	1,052	1,267	-	1,267	(215)
16	1	-	-	-	-	-	-	1,217	1,218	1,172	-	1,172	46
17	7	-	1	-	-	-	-	1,403	1,411	718	-	718	693
18	8	-	10	-	-	-	-	1,279	1,297	1,600	-	1,600	(303)
19	-	-	40	-	-	-	-	1,098	1,138	842	-	842	296
20	8	-	-	-	-	-	-	1,453	1,461	2,245	-	2,245	(785)
21	4	-	23	-	-	-	-	1,436	1,463	1,618	-	1,618	(156)
22	3	-	12	-	-	-	-	1,304	1,319	1,324	-	1,324	(5)
23	-	-	4	-	-	-	-	1,031	1,035	1,081	-	1,081	(46)
24	0	-	-	-	-	-	-	1,163	1,163	1,333	-	1,333	(170)
25	1	-	-	-	-	-	-	1,111	1,112	650	-	650	462
26	0	-	2	-	-	-	-	1,106	1,108	530	-	530	578
27	-	-	-	-	-	-	-	1,051	1,051	722	-	722	329
28	-	-	-	-	-	-	-	1,126	1,126	1,215	-	1,215	(89)
29	-	-	-	-	-	-	-	-	-	-	-	-	-
30	-	-	-	-	-	-	-	-	-	-	-	-	-
31	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	72	-	232	-	-	-	-	33,962	34,266	34,840	-	34,840	(574)



Peoples & Peoples TWP Monthly Exchange Report													Exhibit No. APW-1
Affiliated Interest Agreement - Docket No. G-2011-2265150													
March 2013 - All Volumes in Mcf													
Peoples Receipt Points - Gas Delivered by Peoples TWP										Peoples TWP Receipt Pt. Gas Delivered by Peoples		Volume Due TWP/(PNG)	
Day	Burtner Rd.	Hannahstown	Knoch HS	Rebecca St.	Roenick	Moorehead Rd.	Saltsburg	White Twp.	Total All Pts.	Beaver St - Mars	Other	Total All Pts.	Imbalance
01	-	-	-	-	-	-	-	1,206	1,206	1,439	-	1,439	(233)
02	0	-	1	-	-	-	-	1,289	1,290	1,438	-	1,438	(148)
03	1	-	-	-	-	-	-	1,308	1,309	1,439	-	1,439	(130)
04	1	-	-	-	-	-	-	1,326	1,327	1,329	-	1,329	(2)
05	2	-	6	-	-	-	-	1,206	1,214	1,323	-	1,323	(109)
06	3	-	10	-	-	-	-	1,082	1,095	1,440	-	1,440	(345)
07	-	-	-	-	-	-	-	1,060	1,060	1,438	-	1,438	(378)
08	-	-	-	-	-	-	-	1,096	1,096	2,153	-	2,153	(1,057)
09	0	-	-	-	-	-	-	978	978	2,242	-	2,242	(1,264)
10	0	-	-	-	-	-	-	718	718	656	-	656	62
11	-	-	-	-	-	-	-	697	697	-	-	-	697
12	-	-	-	-	-	-	-	960	960	-	-	-	960
13	-	-	-	-	-	-	-	1,146	1,146	1,166	-	1,166	(20)
14	-	-	-	-	-	-	-	1,225	1,225	1,438	-	1,438	(213)
15	2	-	3	76	-	-	-	1,068	1,149	1,439	-	1,439	(291)
16	1	-	-	5	-	-	-	949	955	1,439	-	1,439	(484)
17	-	-	-	-	-	-	-	1,053	1,053	1,158	-	1,158	(105)
18	0	-	-	-	-	-	-	1,143	1,143	721	-	721	422
19	1	-	-	-	-	-	-	1,021	1,022	80	-	80	942
20	-	-	-	10	-	-	-	1,117	1,127	798	-	798	329
21	1	-	-	336	-	-	-	1,248	1,585	721	-	721	864
22	2	-	5	291	-	-	-	1,213	1,511	721	-	721	790
23	2	-	3	126	-	-	-	1,050	1,181	480	-	480	701
24	1	-	-	34	-	-	-	1,071	1,106	610	-	610	496
25	1	-	-	2	-	-	-	1,113	1,116	1,677	-	1,677	(561)
26	-	-	-	-	-	-	-	1,067	1,067	2,199	-	2,199	(1,132)
27	-	-	-	-	-	-	-	1,083	1,083	1,175	-	1,175	(92)
28	-	-	-	-	-	-	-	1,067	1,067	498	-	498	569
29	-	-	-	-	-	-	-	942	942	-	-	-	942
30	-	-	-	-	-	-	-	879	879	405	-	405	474
31	0	-	-	-	-	-	-	801	801	1,759	-	1,759	(958)
Total	17	-	28	880	-	-	-	33,182	34,107	33,381	-	33,381	726

Peoples & Peoples TWP Monthly Exchange Report											Exhibit No. APW-1		
Affiliated Interest Agreement - Docket No. G-2011-2265150													
April 2013 - All Volumes in Mcf													
Peoples Receipt Points - Gas Delivered by Peoples TWP											Peoples TWP Receipt Pt.		Volume Due
											Gas Delivered by Peoples		TWP/(PNG)
Day	Burtner Rd.	Hannahstown	Knoch HS	Rebecca St.	Roenick	Moorehead Rd.	Saltsburg	White Twp.	Total All Pts.	Beaver St - Mars	Other	Total All Pts.	Imbalance
01	-	-	-	-	-	-	-	957	957	2,232	-	2,232	(1,275)
02	-	-	-	-	-	-	-	1,126	1,126	2,620	-	2,620	(1,494)
03	0	-	-	-	-	-	-	1,146	1,146	2,634	-	2,634	(1,488)
04	2	-	2	11	-	-	-	1,046	1,061	2,482	-	2,482	(1,421)
05	2	-	5	71	-	-	-	928	1,006	1,066	-	1,066	(60)
06	-	-	-	-	-	-	-	923	923	642	-	642	281
07	1	-	-	-	-	-	-	663	664	-	-	-	664
08	-	-	-	-	-	-	-	728	728	149	-	149	579
09	-	-	-	-	-	-	-	1,685	1,685	-	-	-	1,685
10	-	-	-	-	-	-	-	1,777	1,777	-	-	-	1,777
11	-	-	-	-	-	-	-	1,815	1,815	566	-	566	1,249
12	-	-	-	-	-	-	-	1,830	1,830	420	-	420	1,410
13	-	-	-	-	-	-	-	820	820	1,982	-	1,982	(1,162)
14	-	-	-	-	-	-	-	839	839	3,373	-	3,373	(2,534)
15	-	-	-	-	-	-	-	785	785	722	-	722	63
16	-	-	-	-	-	-	-	773	773	1,629	-	1,629	(856)
17	-	-	-	-	-	-	-	783	783	1,364	-	1,364	(581)
18	-	-	-	-	-	-	-	762	762	643	-	643	119
19	-	-	-	-	-	-	-	800	800	315	-	315	485
20	-	-	-	-	-	-	-	917	917	1	-	1	916
21	-	-	-	-	-	-	-	926	926	-	-	-	926
22	-	-	-	-	-	-	-	923	923	731	-	731	192
23	-	-	-	-	-	-	-	830	830	1,002	-	1,002	(172)
24	-	-	-	-	-	-	-	822	822	1,041	-	1,041	(219)
25	-	-	-	-	-	-	-	882	882	1,171	-	1,171	(289)
26	-	-	-	-	-	-	-	831	831	722	-	722	109
27	-	-	-	-	-	-	-	783	783	722	-	722	61
28	-	-	-	-	-	-	-	823	823	723	-	723	100
29	-	-	-	-	-	-	-	806	806	923	-	923	(117)
30	-	-	-	-	-	-	-	758	758	897	-	897	(139)
31	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	4	-	7	82	-	-	-	29,487	29,580	30,772	-	30,772	(1,192)

Peoples & Peoples TWP Monthly Exchange Report													Exhibit No. APW-1
Affiliated Interest Agreement - Docket No. G-2011-2265150													
May 2013 - All Volumes in Mcf													
Peoples Receipt Points - Gas Delivered by Peoples TWP										Peoples TWP Receipt Pt.			Volume Due
Day	Burtner Rd.	Hannahstown	Knoch HS	Rebecca St.	Roenick	Moorehead Rd.	Saltsburg	White Twp.	Total All Pts.	Gas Delivered by Peoples			TWP/(PNG)
										Beaver St - Mars	Other	Total All Pts.	Imbalance
01	-	-	-	-	-	-	-	704	704	722	-	722	(18)
02	-	-	-	-	-	-	-	688	688	722	-	722	(34)
03	-	-	-	-	-	-	-	735	735	722	-	722	13
04	-	-	-	-	-	-	-	779	779	723	-	723	56
05	-	-	-	-	-	-	-	763	763	722	-	722	41
06	-	-	-	-	-	-	-	751	751	797	-	797	(46)
07	-	-	-	-	-	-	-	738	738	841	-	841	(103)
08	-	-	-	-	-	-	-	1,258	1,258	841	-	841	417
09	-	-	-	-	-	-	-	1,798	1,798	843	-	843	955
10	-	-	-	-	-	-	-	1,817	1,817	841	-	841	976
11	-	-	-	-	-	-	-	747	747	1,223	-	1,223	(47)
12	-	-	-	-	-	-	-	782	782	2,385	-	2,385	(1,603)
13	-	-	-	-	-	-	-	860	860	1,876	-	1,876	(1,016)
14	-	-	-	-	-	-	-	902	902	1,256	-	1,256	(354)
15	-	-	-	-	-	-	-	1,814	1,814	829	-	829	985
16	-	-	-	-	-	-	-	1,683	1,683	721	-	721	962
17	-	-	-	-	-	-	-	1,665	1,665	722	-	722	943
18	-	-	-	-	-	-	-	648	648	1,143	-	1,143	(495)
19	-	-	-	-	-	-	-	135	135	723	-	723	(588)
20	-	-	-	-	-	-	-	-	-	882	-	882	(882)
21	-	-	-	-	-	-	-	493	493	1,406	-	1,406	(913)
22	-	-	-	-	-	-	-	654	654	722	-	722	(68)
23	-	-	-	-	-	-	-	-	-	722	-	722	(722)
24	-	-	-	-	-	-	-	110	110	314	-	314	(204)
25	-	-	-	-	-	-	-	296	296	-	-	-	296
26	-	-	-	-	-	-	-	527	527	-	-	-	527
27	-	-	-	-	-	-	-	488	488	-	-	-	488
28	-	-	-	-	-	-	-	558	558	784	-	784	(226)
29	-	-	-	-	-	-	-	2,393	2,393	532	-	532	1,861
30	-	-	-	-	-	-	-	2,408	2,408	1,313	-	1,313	1,095
31	-	-	-	-	-	-	-	2,067	2,067	3,305	-	3,305	(1,238)
Total	-	-	-	-	-	-	-	29,261	29,261	28,632	-	28,632	629

Peoples & Peoples TWP Monthly Exchange Report													Exhibit No. APW-1
Affiliated Interest Agreement - Docket No. G-2011-2265150													
June 2013 - All Volumes in Mcf													
Peoples Receipt Points - Gas Delivered by Peoples TWP										Peoples TWP Receipt Pt.		Volume Due	
Day	Burtner Rd.	Hannahstown	Knoch HS	Rebecca St.	Roenick	Moorehead Rd.	Saltsburg	White Twp.	Total All Pts.	Gas Delivered by Peoples		TWP/(PNG)	
										Beaver St - Mars	Other	Total All Pts.	Imbalance
01	-	-	-	-	-	-	-	1,357	1,357	3,547	-	3,547	(2,190)
02	-	-	-	-	-	-	-	545	545	1,773	-	1,773	(1,228)
03	-	-	-	-	-	-	-	569	569	568	-	568	1
04	-	-	-	-	-	-	-	614	614	378	-	378	236
05	-	-	-	-	-	-	-	501	501	45	-	45	456
06	-	-	-	-	-	-	-	600	600	-	-	-	600
07	-	-	-	-	-	-	-	605	605	133	-	133	472
08	-	-	-	-	-	-	-	577	577	-	-	-	577
09	-	-	-	-	-	-	-	598	598	-	-	-	598
10	-	-	-	-	-	-	-	619	619	498	-	498	121
11	-	-	-	-	-	-	-	1,255	1,255	1,379	-	1,379	(124)
12	-	-	-	-	-	-	-	1,843	1,843	1,307	-	1,307	536
13	-	-	-	-	-	-	-	614	614	2,406	-	2,406	(1,792)
14	-	-	-	-	-	-	-	1,174	1,174	912	-	912	262
15	-	-	-	-	-	-	-	565	565	-	-	-	565
16	-	-	-	-	-	-	-	581	581	-	-	-	581
17	-	-	-	-	-	-	-	1,789	1,789	1,382	-	1,382	407
18	-	-	-	-	-	-	-	1,137	1,137	2,483	-	2,483	(1,346)
19	-	-	-	-	-	-	-	601	601	373	-	373	228
20	-	-	-	-	-	-	-	582	582	224	-	224	358
21	-	-	-	-	-	-	-	577	577	722	-	722	(145)
22	-	-	-	-	-	-	-	560	560	360	-	360	200
23	-	-	-	-	-	-	-	557	557	-	-	-	557
24	-	-	-	-	-	-	-	2,011	2,011	517	-	517	1,494
25	-	-	-	-	-	-	-	1,663	1,663	3,060	-	3,060	(1,397)
26	-	-	-	-	-	-	-	1,761	1,761	2,747	-	2,747	(986)
27	-	-	-	-	-	-	-	584	584	1,521	-	1,521	(937)
28	-	-	-	-	-	-	-	1,699	1,699	1,387	-	1,387	312
29	-	-	-	-	-	-	-	560	560	1,465	-	1,465	(905)
30	-	-	-	-	-	-	-	509	509	1,557	-	1,557	(1,048)
	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	27,207	27,207	30,744	-	30,744	(3,537)

Peoples & Peoples TWP Monthly Exchange Report										Exhibit No. APW-1			
Affiliated Interest Agreement - Docket No. G-2011-2265150													
July 2013 - All Volumes in Mcf													
Peoples Receipt Points - Gas Delivered by Peoples TWP										Peoples TWP Receipt Pt. Gas Delivered by Peoples		Volume Due TWP/(PNG)	
Day	Burtner Rd.	Hannahstown	Knoch HS	Rebecca St.	Roenick	Moorehead Rd.	Saltsburg	White Twp.	Total All Pts.	Beaver St - Mars	Other	Total All Pts.	Imbalance
01	-	-	-	-	-	-	-	575	575	983	-	983	(408)
02	-	-	-	-	-	-	-	584	584	706	-	706	(122)
03	-	-	-	-	-	-	-	563	563	-	-	-	563
04	-	-	-	-	-	-	-	482	482	-	-	-	482
05	-	-	-	-	-	-	-	534	534	-	-	-	534
06	-	-	-	-	-	-	-	563	563	62	-	62	501
07	-	-	-	-	-	-	-	576	576	-	-	-	576
08	-	-	-	-	-	-	-	1,737	1,737	751	-	751	986
09	-	-	-	-	-	-	-	1,776	1,776	1,718	-	1,718	58
10	-	-	-	-	-	-	-	1,642	1,642	1,349	-	1,349	293
11	-	-	-	-	-	-	-	1,583	1,583	1,692	-	1,692	(109)
12	-	-	-	-	-	-	-	567	567	1,733	-	1,733	(1,166)
13	-	-	-	-	-	-	-	569	569	-	-	-	569
14	-	-	-	-	-	-	-	562	562	-	-	-	562
15	-	-	-	-	-	-	-	2,017	2,017	624	-	624	1,393
16	-	-	-	-	-	-	-	2,385	2,385	1,844	-	1,844	541
17	-	-	-	-	-	-	-	2,504	2,504	3,822	-	3,822	(1,318)
18	-	-	-	-	-	-	-	3,676	3,676	4,248	-	4,248	(572)
19	-	-	-	-	-	-	-	2,481	2,481	4,008	-	4,008	(1,527)
20	-	-	-	-	-	-	-	1,716	1,716	1,123	-	1,123	593
21	-	-	-	-	-	-	-	448	448	-	-	-	448
22	-	-	-	-	-	-	-	512	512	608	-	608	(96)
23	-	-	-	-	-	-	-	517	517	1,006	-	1,006	(489)
24	-	-	-	-	-	-	-	1,654	1,654	1,418	-	1,418	236
25	-	-	-	-	-	-	-	481	481	2,017	-	2,017	(1,536)
26	-	-	-	-	-	-	-	500	500	776	-	776	(276)
27	-	-	-	-	-	-	-	517	517	406	-	406	111
28	-	-	-	-	-	-	-	496	496	722	-	722	(226)
29	-	-	-	-	-	-	-	926	926	224	-	224	702
30	-	-	-	-	-	-	-	1,072	1,072	-	-	-	1,072
	-	-	-	-	-	-	-	383	383	-	-	-	383
Total	-	-	-	-	-	-	-	34,598	34,598	31,840	-	31,840	2,758

Peoples & Peoples TWP Monthly Exchange Report											Exhibit No. APW-1		
Affiliated Interest Agreement - Docket No. G-2011-2265150													
August 2013 - All Volumes in Mcf													
Peoples Receipt Points - Gas Delivered by Peoples TWP											Peoples TWP Receipt Pt.		
Day	Burtner Rd.	Hannahstown	Knoch HS	Rebecca St.	Roenick	Moorehead Rd.	Saltsburg	White Twp.	Total All Pts.	Beaver St - Mars	Other	Total All Pts.	Volume Due TWP/(PNG)
01	-	-	-	-	-	-	-	526	526	440	-	440	86
02	-	-	-	-	-	-	-	529	529	722	-	722	(193)
03	-	-	-	-	-	-	-	535	535	14	-	14	521
04	-	-	-	-	-	-	-	491	491	-	-	-	491
05	-	-	-	-	-	-	-	509	509	-	-	-	509
06	-	-	-	-	-	-	-	985	985	913	-	913	72
07	-	-	-	-	-	-	-	1,521	1,521	210	-	210	1,311
08	-	-	-	-	-	-	-	1,575	1,575	1,923	-	1,923	(348)
09	-	-	-	-	-	-	-	1,650	1,650	2,456	-	2,456	(806)
10	-	-	-	-	-	-	-	478	478	1,133	-	1,133	(655)
11	-	-	-	-	-	-	-	521	521	-	-	-	521
12	-	-	-	-	-	-	-	2,397	2,397	453	-	453	1,944
13	-	-	-	-	-	-	-	2,002	2,002	1,996	-	1,996	6
14	-	-	-	-	-	-	-	1,383	1,383	2,950	-	2,950	(1,567)
15	-	-	-	-	-	-	-	532	532	1,849	-	1,849	(1,317)
16	-	-	-	-	-	-	-	527	527	1,727	-	1,727	(1,200)
17	-	-	-	-	-	-	-	522	522	1,783	-	1,783	(1,261)
18	-	-	-	-	-	-	-	493	493	807	-	807	(314)
19	-	-	-	-	-	-	-	1,416	1,416	117	-	117	1,299
20	-	-	-	-	-	-	-	1,632	1,632	306	-	306	1,326
21	-	-	-	-	-	-	-	1,606	1,606	-	-	-	1,606
22	-	-	-	-	-	-	-	1,446	1,446	254	-	254	1,192
23	-	-	-	-	-	-	-	1,649	1,649	1,062	-	1,062	587
24	-	-	-	-	-	-	-	547	547	1,203	-	1,203	(656)
25	-	-	-	-	-	-	-	559	559	1,385	-	1,385	(826)
26	-	-	-	-	-	-	-	1,661	1,661	2,155	-	2,155	(494)
27	-	-	-	-	-	-	-	1,778	1,778	4,102	-	4,102	(2,324)
28	-	-	-	-	-	-	-	1,754	1,754	2,923	-	2,923	(1,169)
29	-	-	-	-	-	-	-	1,782	1,782	1,065	-	1,065	717
30	-	-	-	-	-	-	-	1,582	1,582	723	-	723	859
31	-	-	-	-	-	-	-	609	609	133	-	133	476
Total	-	-	-	-	-	-	-	35,197	35,197	34,804	-	34,804	393

Peoples & Peoples TWP Monthly Exchange Report											Exhibit No. APW-1			
Affiliated Interest Agreement - Docket No. G-2011-2265150														
September 2013 - All Volumes in Mcf														
Peoples Receipt Points - Gas Delivered by Peoples TWP											Peoples TWP Receipt Pt.			Volume Due
Day	Burtner Rd.	Hannahstown	Knoch HS	Rebecca St.	Roenick	Moorehead Rd.	Saltsburg	White Twp.	Total All Pts.	Gas Delivered by Peoples			TWP/(PNG)	
										Beaver St - Mars	Other	Total All Pts.	Imbalance	
01	-	-	-	-	-	-	-	598	598	-	-	-	598	
02	-	-	-	-	-	-	-	599	599	-	-	-	599	
03	-	-	-	-	-	-	-	1,479	1,479	1,907	-	1,907	(428)	
04	-	-	-	-	-	-	-	1,140	1,140	2,748	-	2,748	(1,608)	
05	-	-	-	-	-	-	-	1,193	1,193	1,637	-	1,637	(444)	
06	-	-	-	-	-	-	-	636	636	2,097	-	2,097	(1,461)	
07	-	-	-	-	-	-	-	614	614	1,383	-	1,383	(769)	
08	-	-	-	-	-	-	-	614	614	629	-	629	(15)	
09	-	-	-	-	-	-	-	633	633	681	-	681	(48)	
10	-	-	-	-	-	-	-	1,806	1,806	855	-	855	951	
11	-	-	-	-	-	-	-	2,572	2,572	1,163	-	1,163	1,409	
12	-	-	-	-	-	-	-	2,562	2,562	-	-	-	2,562	
13	-	-	-	-	-	-	-	606	606	1,371	-	1,371	(765)	
14	-	-	-	-	-	-	-	607	607	2,234	-	2,234	(1,627)	
15	-	-	-	-	-	-	-	607	607	784	-	784	(177)	
16	-	-	-	-	-	-	-	637	637	722	-	722	(85)	
17	-	-	-	-	-	-	-	898	898	1,521	-	1,521	(623)	
18	-	-	-	-	-	-	-	680	680	1,188	-	1,188	(508)	
19	-	-	-	-	-	-	-	2,901	2,901	1,003	-	1,003	1,898	
20	-	-	-	-	-	-	-	1,635	1,635	750	-	750	885	
21	-	-	-	-	-	-	-	626	626	885	-	885	(259)	
22	-	-	-	-	-	-	-	597	597	-	-	-	597	
23	-	-	-	-	-	-	-	659	659	817	-	817	(158)	
24	-	-	-	-	-	-	-	665	665	564	-	564	101	
25	-	-	-	-	-	-	-	640	640	-	-	-	640	
26	-	-	-	-	-	-	-	639	639	-	-	-	639	
27	-	-	-	-	-	-	-	641	641	-	-	-	641	
28	-	-	-	-	-	-	-	647	647	-	-	-	647	
29	-	-	-	-	-	-	-	636	636	-	-	-	636	
30	-	-	-	-	-	-	-	1,926	1,926	2,278	-	2,278	(352)	
	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	30,693	30,693	27,217	-	27,217	3,476	

Peoples & Peoples TWP Monthly Exchange Report													Exhibit No. APW-1
Affiliated Interest Agreement - Docket No. G-2011-2265150													
October 2013 - All Volumes in Mcf													
Peoples Receipt Points - Gas Delivered by Peoples TWP										Peoples TWP Receipt Pt.		Volume Due	
Day	Burtner Rd.	Hannahstown	Knoch HS	Rebecca St.	Roenick	Moorehead Rd.	Saltsburg	White Twp.	Total All Pts.	Gas Delivered by Peoples		TWP/(PNG)	
										Beaver St - Mars	Other	Imbalance	
										Total All Pts.			
01	-	-	-	-	-	-	-	1,797	1,797	4,109	-	4,109	(2,312)
02	-	-	-	-	-	-	-	1,889	1,889	3,020	-	3,020	(1,131)
03	-	-	-	-	-	-	-	1,850	1,850	2,499	-	2,499	(649)
04	-	-	-	-	-	-	-	1,885	1,885	3,918	-	3,918	(2,033)
05	-	-	-	-	-	-	-	613	613	1,441	-	1,441	(828)
06	-	-	-	-	-	-	-	602	602	105	-	105	497
07	-	-	-	-	-	-	-	642	642	722	-	722	(80)
08	-	-	-	-	-	-	-	665	665	403	-	403	262
09	-	-	-	-	-	-	-	687	687	-	-	-	687
10	-	-	-	-	-	-	-	712	712	-	-	-	712
11	-	-	-	-	-	-	-	706	706	1,584	-	1,584	(878)
12	-	-	-	-	-	-	-	646	646	-	-	-	646
13	-	-	-	-	-	-	-	645	645	59	-	59	586
14	-	-	-	-	-	-	-	1,272	1,272	671	-	671	601
15	-	-	-	-	-	-	-	1,751	1,751	789	-	789	962
16	-	-	-	-	-	-	-	1,735	1,735	966	-	966	769
17	-	-	-	-	-	-	-	1,834	1,834	1,924	-	1,924	(90)
18	-	-	-	-	-	-	141	1,893	2,034	1,323	-	1,323	711
19	-	-	-	-	-	-	433	832	1,265	1,292	-	1,292	(27)
20	-	-	-	-	-	-	610	836	1,446	1,200	-	1,200	246
21	-	-	-	-	-	-	661	2,097	2,758	2,387	-	2,387	371
22	-	-	-	-	-	-	578	2,019	2,597	2,388	-	2,388	209
23	-	-	-	-	-	-	663	2,210	2,873	2,839	-	2,839	34
24	-	-	-	-	-	-	777	2,310	3,087	3,861	-	3,861	(774)
25	-	-	-	-	34	-	733	2,282	3,049	3,575	-	3,575	(526)
26	-	-	-	-	22	-	802	987	1,811	2,358	-	2,358	(547)
27	-	-	-	-	59	-	868	930	1,857	2,974	-	2,974	(1,117)
28	-	-	-	-	6	-	844	2,297	3,147	3,499	-	3,499	(352)
29	-	-	-	-	65	-	634	2,210	2,909	4,091	-	4,091	(1,182)
30	-	-	-	-	4	-	452	2,080	2,536	3,170	-	3,170	(634)
31	-	-	-	-	-	-	286	1,981	2,267	897	-	897	1,370
Total	-	-	-	-	190	-	8,482	44,895	53,567	58,064	-	58,064	(4,497)



Peoples & Peoples TWP Monthly Exchange Report													Exhibit No. APW-1
Affiliated Interest Agreement - Docket No. G-2011-2265150													
November 2013 - All Volumes in Mcf													
Peoples Receipt Points - Gas Delivered by Peoples TWP										Peoples TWP Receipt Pt. Gas Delivered by Peoples			Volume Due TWP/(PNG)
Day	Burtner Rd.	Hannahstown	Knoch HS	Rebecca St.	Roenick	Moorehead Rd.	Saltsburg	White Twp.	Total All Pts.	Beaver St - Mars	Other	Total All Pts.	Imbalance
01	-	-	-	-	-	-	233	2,047	2,280	166	-	166	2,114
02	-	-	-	-	-	-	551	831	1,382	463	-	463	919
03	-	-	-	-	2	-	808	935	1,745	768	-	768	977
04	-	-	-	-	153	-	1,031	2,480	3,664	3,750	-	3,750	(86)
05	1	-	-	-	43	-	811	2,126	2,981	3,060	-	3,060	(79)
06	-	-	-	-	15	-	601	2,061	2,677	2,554	-	2,554	123
07	-	-	-	-	-	-	524	2,032	2,556	1,465	-	1,465	1,091
08	-	-	-	-	19	-	850	2,242	3,111	1,330	-	1,330	1,781
09	0	-	-	-	140	-	980	1,032	2,152	982	-	982	1,170
10	-	-	-	-	-	-	1,154	993	2,147	959	-	959	1,188
11	-	-	-	-	58	-	1,131	1,017	2,206	1,038	-	1,038	1,168
12	-	-	-	-	234	-	1,121	2,338	3,693	5,236	-	5,236	(1,543)
13	3	-	1	-	393	-	896	2,597	3,890	4,881	-	4,881	(991)
14	10	-	38	-	325	-	196	2,115	2,685	6,090	-	6,090	(3,405)
15	15	-	89	-	84	-	-	1,830	2,019	3,969	-	3,969	(1,950)
16	6	-	28	-	11	-	-	1,526	1,571	1,497	-	1,497	74
17	-	-	2	-	-	-	-	635	637	1,836	-	1,836	(1,199)
18	4	-	18	-	-	-	-	792	814	2,201	-	2,201	(1,387)
19	31	-	191	-	161	-	-	2,244	2,626	2,525	-	2,525	101
20	26	30	173	-	183	-	-	2,349	2,760	2,487	-	2,487	273
21	14	1	97	-	95	-	-	2,142	2,350	2,265	-	2,265	85
22	0	-	7	-	-	-	-	808	815	964	-	964	(149)
23	37	3	240	-	306	-	-	1,118	1,704	1,788	-	1,788	(84)
24	58	185	446	-	696	-	-	1,381	2,766	2,863	-	2,863	(98)
25	68	151	370	-	574	-	-	2,321	3,485	3,089	-	3,089	396
26	13	4	186	395	115	-	-	2,345	3,058	406	-	406	2,652
27	48	4	282	801	-	-	-	2,446	3,580	88	-	88	3,492
28	47	47	306	1,013	2	-	-	1,309	2,723	55	-	55	2,668
29	43	23	258	844	1	-	-	1,248	2,417	1,245	-	1,245	1,172
30	45	40	280	807	22	-	-	1,201	2,395	4,829	-	4,829	(2,434)
	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	468	487	3,013	3,860	3,632	-	10,887	50,541	72,889	64,849	-	64,849	8,040