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December 30, 2011

VIA HAND DELIVERY

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

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RE: Peoples Natural Gas Company LLC – Supplement No. 12 to Tariff Gas – PA PUC No. 44 (Implementation of the Pennsylvania Public Utility Commission's Revised Final Rulemaking Order to Amend Chapter 56 Standards and Billing Practices for Residential Utility Service at Docket No. L-00060182)

Dear Secretary Chiavetta:

Enclosed for filing with the Commission, on behalf of Peoples Natural Gas Company LLC (“Peoples”), are eight (8) copies of Supplement No. 12 to Peoples’ Tariff Gas – PA PUC No. 44, which has an effective date of January 1, 2012. Also enclosed is the Affidavit (including the signed original) of Peoples’ Vice President, Rates and Regulatory Affairs, Joseph A. Gregorini, certifying that Peoples has posted Supplement No. 12 on its web page.

Supplement No. 12 implements the Pennsylvania Public Utility Commission’s Revised Final Rulemaking Order at Docket No. L-00060182 to amend Chapter 56 standards and billing practices for residential utility service.

Thank you for your attention to this matter. Per the attached Certificate of Service, Peoples is serving copies of the enclosed materials on the three public advocates. Should you have any

Rosemary Chiavetta, Secretary
December 30, 2011
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questions, please feel free to contact me. Please date-stamp the extra copy and return it with our messenger.

Sincerely,



David P. Zambito, Esquire
Counsel for Peoples Natural Gas Company LLC

DPZ/kmg
Enclosures

cc: Per Certificate of Service
Joseph A. Gregorini (via e-mail)
William H. Roberts II (via e-mail)
Lynda W. Petrichevich (via e-mail)
Rita F. Urbaniak (via e-mail)
Anthony Caldoro (via e-mail)

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PEOPLES NATURAL GAS COMPANY LLC

RATES AND RULES GOVERNING THE FURNISHING OF NATURAL GAS SERVICE TO RETAIL GAS CUSTOMERS

Implementation of the Pennsylvania Public Utility Commission's
Revised Final Rulemaking Order to Amend Chapter 56 Standards and
Billing Practices for Residential Utility Service
at Docket No. L-00060182

ISSUED: December 30, 2011
BY: Morgan K. O'Brien
President
375 North Shore Drive, Suite 600
Pittsburgh, PA 15212

EFFECTIVE: February 28, 2012

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LIST OF CHANGES

This tariff supplement makes changes to its Rules and Regulations resulting from the PUC Revised Rulemaking Order at Docket No. L-00060182.

Page No. 15

1. Changes to Application of Service
3. Rules for Deposit (a): modification to 'v' to correct grammar.

Page No. 16

3. Rules for Deposit (a): modification to 'ix'
3. Rules for Deposit (b): modification to 'i'; deletion of 'ii' which referred to the ability of an applicant to become a member of a composite credit group; and deletion of 'composite credit group membership certification' from the final sentence of this section.

Page No. 17

3. Rules for Deposit (d): deletion of 'iii' which referred to the ability of a ratepayer to become a member of a composite credit group.

RULES AND REGULATIONS**1. APPLICATION FOR SERVICE**

(C)

All Applicants desiring any type of service from the Company under this Tariff shall contact the Company and specifically request the type and nature of service. Upon request, the Company will inform the ratepayer of the identity of those NGSs offering retail service in its service territory and either provide a list of licensed suppliers or refer the ratepayer to the Commission for further information. In any circumstance where an application to the Company for any service under this Tariff involves or is related to an NGS, such application cannot and shall not be processed by the Company unless the Applicant and/or the Applicant's NGS provides the necessary information relating to service.

A non-residential Applicant for any service under this Tariff will be required to sign an application for natural gas service, unless the Company, in its sole discretion, accepts an oral application from a non-residential Applicant. The Company shall accept an oral application from a residential Applicant except that the Company may require a written application from a residential Applicant if the Company determines positive identification or other documentation is necessary. The Company may request driver's license information as positive identification. The Company will also review Company records and may also require additional documentation, as described in Commission regulations, to determine the applicant's liability for unpaid previously furnished service.

Upon the receipt of natural gas service, the Applicant shall become a ratepayer of the Company.

The ratepayer shall inform the Company in advance of any proposed additions to (or decreases in) the ratepayer's connected natural gas load.

The Company shall charge a transfer fee of \$25 to residential and commercial applicants when natural gas service is not being initiated or reinstated but is continuing from a prior ratepayer who is not the builder of a residence or commercial building. The Company shall charge a connection fee of \$74 for residential applicants and a connection fee of \$98 for commercial applicants when natural gas service is being initiated for the first time or had been previously discontinued at the location. In no case shall a connection fee or transfer fee be charged to a residential ratepayer whose income does not exceed 150 percent of the Federal Poverty Level and/or who is eligible to receive a LIHEAP award; or to the builder of a residence or commercial building who is using natural gas during the construction process; or to a ratepayer in a competitive posture, as determined in the sole discretion of the Company. The initial occupant of newly constructed residences or commercial buildings will be charged the \$74 or \$98 connection fee. Separate connection fees for reinstatement of service after termination by the Company are set forth in Rule 5.

2. CHARACTER OF SERVICE

The Company offers firm service, unless otherwise provided in this tariff.

3. RULES FOR DEPOSIT

A deposit from a ratepayer shall conform to the Commission's regulations and applicable statutory requirements. Deposits required by the Company for Tariff regulated charges shall not be based on unpaid supplier charges.

Residential Applicant/Ratepayer

- a. The Company will provide service without requiring a deposit when the applicant provides adequate identification and satisfies the following requirements:
 - i. Has not failed to pay an undisputed delinquent account.
 - ii. Has not failed to complete payment of a deposit, provide a guarantee or establish credit.
 - iii. Has not failed to provide access to meters, service connections, or other property of the public utility for the purpose of replacement, maintenance, repair or meter reading.
 - iv. Has not engaged in unauthorized use of the utility service delivered on or about the affected dwelling.
 - v. Has not failed to comply with the material terms or conditions of a settlement or payment agreement. (C)
 - vi. Has not engaged in fraud or material misrepresentation of identity for the purpose of obtaining utility service.
 - vii. Has not tampered with meters, including, but not limited to, bypassing a meter or removal of an automatic meter reading device or other public utility equipment.

RULES AND REGULATIONS3. RULES FOR DEPOSIT (continued)

(C)

- viii. Has not violated tariff provisions on file with the Commission so as to endanger the safety of a person or the integrity of the delivery system of the public utility.
 - ix. Provides information demonstrating to the satisfaction of the Company that the applicant is not an (C) unsatisfactory credit risk though the use of a generally accepted credit scoring methodology. This methodology includes providing positive identification for the last two known addresses, review of data specific to payment history of other utility services, and review of credit history established previously with the Company. The Company will not find that an applicant is a bad credit risk simply because he does not have a prior credit history.
- b. If an applicant does not establish credit under the methods outlined above, the Company may require (C) that the applicant post a cash deposit. Instead of posting a cash deposit, the applicant may:
- i. Furnish a written guarantee from one who can establish credit to the Company's satisfaction that (C) states terms to secure payment. The guarantor shall be responsible for all missed payments owed to the Company.

The cash deposit or guarantee, if required, must be received by the Company prior to initiation of gas (C) service to new applicants.

- c. The Company may require an existing ratepayer to post a deposit to reestablish credit:
- i. If the ratepayer has been delinquent in payment of any two consecutive bills or three or more bills within the preceding 12 months, after having notified the ratepayer of its intention in accordance with prevailing Commission regulations.
 - ii. If the ratepayer's service has been terminated and the ratepayer desires reconnection.
 - iii. When a ratepayer fails to comply with a material term or condition of a settlement or payment agreement.
- d. An applicant or a ratepayer shall not receive service from the Company until full payment of any required deposit is provided to the Company. The only exception to the requirement for full payment prior to receiving service is that an existing ratepayer whose service has been terminated and desires a reconnection of service may be permitted to pay any required deposit in three installments: 50 percent at the time of reconnection, 25 percent within 30 days after reconnection, and 25 percent within 60 days after reconnection.

A cash deposit will be required in an amount equal to one-sixth of the applicant's or ratepayer's estimated annual bill at the time the Company determines that a deposit is required. This estimate shall be based upon prior consumption for like service at the affected premises, wherever available. Should the character or degree of the ratepayer's usage materially change, or if it can clearly be established that either will materially change in the immediate future, the amount of the cash deposit may be adjusted at the request of either the Company or the ratepayer.

All residential deposits shall bear interest at the legal rate of interest pursuant to Section 202 of the Act of January 30, 1974 (41 P.S. § 202) referred to as the Loan Interest and Protection Law, and such interest shall be returned with the deposit.

RULES AND REGULATIONS

(C)

3. RULES FOR DEPOSIT (continued)

The Company may hold a deposit for a maximum period of 24 months and shall refund or apply to a ratepayer's account any security deposit held, plus accrued interest, under the following conditions:

- i. Upon discontinuance or termination of service.
- ii. When a ratepayer establishes credit pursuant to the Commission's regulations.
- iii. When a ratepayer substitutes a third-party guarantor, as defined in Commission's regulations, but the refund shall not exceed the guarantee.
- iv. After a ratepayer has established a timely payment history. A timely payment history is established when a ratepayer has paid its account balance in full and on time for 12 consecutive months.
- v. At the option of the Company, a cash deposit, including accrued interest, may be refunded in whole or in part at any time earlier than the time stated in i. through v. above.

The Company shall deduct the outstanding balance on the ratepayer's account from the deposit and return or credit any positive difference to the ratepayer. The ratepayer may direct to whom a refunded deposit, together with accrued interest, shall be paid.

Commercial and Industrial Applicant/Ratepayer

The Company reserves the right to require a deposit or guaranty for all services to be supplied, or an increase in said deposit if there is an increase in the monthly bill for services rendered; also the right to apply such deposit to bills previously incurred by the applicant under the existing or any previous contract with the Company.

A deposit may be required from an applicant in an estimated amount equal to twice the average of the three highest monthly bills anticipated during the next 12 months. Such estimate shall be made from the record of services rendered to the same premises during the last 12 months of use, whether by applicant or a prior occupant of the premises, adjusted to recognize the extent of the proposed use as compared with the use in the past. If there is no prior record of services rendered to the premises, the estimate shall be based upon the purposes for which services will be provided.

All commercial and industrial ratepayer deposits shall bear interest at the rate of six (6) per centum per annum, without deduction for any taxes thereon; such interest will be credited at the end of each year, from the date of the deposit, to the ratepayer's account and applied against the oldest unpaid bill.

Upon final discontinuance of service and if such cash deposit has not been theretofore refunded, the principal of and interest thereon will be applied against the final bill, or if all bills are paid in full or if the deposit and interest shall be more than sufficient to cover the same, will be refunded to the ratepayer, in whole or in part, as the case may be, by cash or check.

To accommodate the applicant in case he cannot furnish a cash deposit, a written guaranty of a third person who is the owner of real estate receiving service from the Company will be accepted, but such form of security is discouraged. To limit the guaranty to the lowest terms consistent with security, such guarantor is required to agree that upon default of the ratepayer, the guarantor will make prompt payment of the charges for services rendered to the ratepayer for a period not exceeding sixty days. In case the guarantor is required to pay, the ratepayer then must either make a cash deposit or secure a renewal of the guaranty in order to have service maintained.

AFFIDAVIT

I, Joseph A. Gregorini, in my capacity as Vice President, Rates and Regulatory Affairs of Peoples Natural Gas Company LLC, certify that Peoples has posted Supplement No. 12 to Tariff Gas-PA PUC No. 44 on its Web Page in accordance with the Commission's Secretarial Letter of March 30, 1998. I understand that any statements in this Affidavit are subject to the penalties set forth in 18 Pa. C.S. §4904 (relating to unsworn falsification to authorities).



Joseph A. Gregorini
Vice President, Rates and Regulatory Affairs
Peoples Natural Gas Company LLC

DATED: December 30, 2011

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing Supplement No. 12 to Tariff Gas – PA PUC No. 44 (Quarterly Recalculation of Rider F – Universal Service Charge) upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

VIA FIRST CLASS MAIL:

Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101-1303

Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street – 2 West
PO Box 3265
Harrisburg, PA 17105-3265

DATED: December 30, 2011



David P. Zambito, Esquire
Counsel for Peoples Natural Gas Company LLC

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