

COLUMBIA GAS OF PENNSYLVANIA, INC.

121 Champion Way, Suite 100

Canonsburg, Pennsylvania

RATES AND RULES

FOR

FURNISHING GAS SERVICE

IN

THE TERRITORY AS DESCRIBED HEREIN

ISSUED: September 25, 2026

EFFECTIVE: October 1, 2026

ISSUED BY: MARK KEMPIC, PRESIDENT
121 CHAMPION WAY, SUITE 100
CANONSBURG, PENNSYLVANIA 15317

NOTICE

This Tariff Supplement Makes Changes to the Existing Tariff - See List of Changes Made by This Tariff Supplement on Page Nos. 2 and 2a.

LIST OF CHANGES MADE BY THIS TARIFF SUPPLEMENT

Page	Page Description	Revision Description
Cover	Tariff Cover Page	Supplement No., Issued and Effective Date.
2-2a	List of Changes	List of Changes.
16	Rate Summary	The "Pass-through Charge" decreased. The "Total Effective Rate" decreased.
21	Rider Summary	The "Universal Service Plan – Rider USP" decreased.
21b	Pass-through Charge Summary	The "Universal Service Plan – Rider USP" decreased. The "Total Pass-through Charge" for RSS and RDS decreased.

**PAGE 2a INTENTIONALLY LEFT BLANK
FOR FUTURE USE**

Columbia Gas of Pennsylvania, Inc.

Rate Summary								
Rate per thm								
Residential Rate Schedules	Distribution Charge	Gas Supply Charge 1/	Gas Cost Adjustment	Pass-Through Charge 2/	State Tax Adjustment Surcharge 3/	Distribution System Improvement Charge (DSIC) 4/	Rider EE-Energy Efficiency Rider 5/	Total Effective Rate
<u>Rate RSS - Residential Sales Service</u>								
Customer Charge	\$ 20.15				0.00	0.01	-	20.16
Usage Charge	\$ 1.09952	0.26678	0.04751	0.32342	0.00000	0.00055	0.00613	1.74391
<u>Rate RDS - Residential Distribution Service</u>								
Customer Charge	\$ 20.15				0.00	0.01	-	20.16
Usage Charge:								
Customers Electing CHOICE	\$ 1.09952	-	-	0.28431	0.00000	0.00055	0.00613	1.39051
1/ Please see Page No. 21a for rate components. 2/ Please see Page No. 21b for rate components. 3/ The STAS percentage is reflected on Page No. 20 and is applied to the Customer Charge and the Distribution Charge. 4/ The DSIC percentage is reflected on Page No. 21 and is applied to the Customer Charge and the Distribution Charge. 5/ Rider EE is reflected on Page No. 21 and is applied to the Distribution Charge.								

Issued: September 25, 2026

Mark Kempic - President

Effective: October 1, 2026

Columbia Gas of Pennsylvania, Inc.

Canceling One Hundred Forty-fifth and One Hundred Forty-sixth Page No. 17

Rate Summary								
Rate per thm								
Commercial / Industrial Rate Schedules ≤ 64,400 therms - 12 Months Ending October	Distribution Charge	Gas Supply Charge 1/	Gas Cost Adjustment	Pass-through Charge 2/	State Tax Adjustment Surcharge 3/	Distribution System Improvement Charge (DSIC) 4/	Rider EE- Energy Efficiency Rider 5/	Total Effective Rate
Rate SGSS - Small General Sales Service								
Customer Charge:								
Annual Throughput ≤ 6,440 thm	\$ 36.55				0.00	0.02	-	36.57
Annual Throughput > 6,440 thm and ≤ 64,400 thm	\$ 69.85				0.00	0.03	-	69.88
Usage Charge								
Annual Throughput ≤ 6,440 thm	\$ 0.89205	0.26374	0.04751	0.20329	0.00000	0.00045	0.00343	1.41047
Annual Throughput > 6,440 thm and ≤ 64,400 thm	\$ 0.76032	0.26374	0.04751	0.20329	0.00000	0.00038	0.00343	1.27867
Rate SCD - Small Commercial Distribution								
Customer Charge:								
Annual Throughput ≤ 6,440 thm	\$ 36.55				0.00	0.02	-	36.57
Annual Throughput > 6,440 thm and ≤ 64,400 thm	\$ 69.85				0.00	0.03	-	69.88
Usage Charge: Customers Electing CHOICE								
Annual Throughput ≤ 6,440 thm	\$ 0.89205	-	-	0.16418	0.00000	0.00045	0.00343	1.06011
Annual Throughput > 6,440 and ≤ 64,400 thm	\$ 0.76032	-	-	0.16418	0.00000	0.00038	0.00343	0.92831
Rate SGDS - Small General Distribution Service								
Customer Charge:								
Annual Throughput ≤ 6,440 thm	\$ 36.55				0.00	0.02	-	36.57
Annual Throughput > 6,440 thm and ≤ 64,400 thm	\$ 69.85				0.00	0.03	-	69.88
Usage Charge - Priority One								
Annual Throughput ≤ 6,440 thm	\$ 0.87922	-	-	0.20329	0.00000	0.00044	0.00343	1.08638 6/
Annual Throughput > 6,440 thm and ≤ 64,400 thm	\$ 0.74748	-	-	0.20329	0.00000	0.00037	0.00343	0.95457 6/
Usage Charge - Non-Priority One								
Annual Throughput ≤ 6,440 thm	\$ 0.87922	-	-	0.00010	0.00000	0.00044	0.00343	0.88319 6/
Annual Throughput > 6,440 and ≤ 64,400 thm	\$ 0.74748	-	-	0.00010	0.00000	0.00037	0.00343	0.75138 6/
1/ Please see Page No. 21a for rate components.								
2/ Please see Page No. 21b for rate components.								
3/ The STAS percentage is reflected on Page No. 20 and is applied to the Customer Charge and the Distribution Charge.								
4/ The DSIC percentage is reflected on Page No. 21 and is applied to the Customer Charge and the Distribution Charge.								
5/ Rider EE is reflected on Page No. 21 and is applied to the Distribution Charge.								
6/ Plus Rider EBS Option 1 or 2 - See Page 21.								

Issued: September 25, 2026

Mark Kempic - President

Effective: October 1, 2026

Columbia Gas of Pennsylvania, Inc.

Canceling One Hundred Seventy-ninth and One Hundred Eightieth Page No. 18

Rate Summary							
Rate per thm							
Commercial / Industrial Rate Schedules > 64,400 therms - 12 Months Ending October	Distribution Charge	Gas Supply Charge 1/	Gas Cost Adjustment	Pass-through Charge 2/	State Tax Adjustment Surcharge 3/	Distribution System Improvement Charge (DSIC) 4/	Total Effective Rate
Rate LGSS - Large General Sales Service							
Customer Charge:							
Annual Throughput > 64,400 thm and <= 110,000 thm	\$ 335.90				0.00	0.17	336.07
Annual Throughput > 110,000 thm and <= 540,000 thm	\$ 1,523.60				0.00	0.76	1,524.36
Annual Throughput > 540,000 thm and <= 1,074,000 thm	\$ 4,082.25				0.00	2.04	4,084.29
Annual Throughput > 1,074,000 thm and <= 3,400,000 thm	\$ 6,349.60				0.00	3.17	6,352.77
Annual Throughput > 3,400,000 thm and <= 7,500,000 thm	\$ 12,245.05				0.00	6.12	12,251.17
Annual Throughput > 7,500,000 thm	\$ 18,140.45				0.00	9.07	18,149.52
Usage Charge:							
Annual Throughput > 64,400 thm and <= 110,000 thm	\$ 0.57443	0.26266	0.04751	0.20319	0.00000	0.00029	1.08808
Annual Throughput > 110,000 thm and <= 540,000 thm	\$ 0.53705	0.26266	0.04751	0.20319	0.00000	0.00027	1.05068
Annual Throughput > 540,000 thm and <= 1,074,000 thm	\$ 0.32026	0.26266	0.04751	0.20319	0.00000	0.00016	0.83378
Annual Throughput > 1,074,000 thm and <= 3,400,000 thm	\$ 0.28406	0.26266	0.04751	0.20319	0.00000	0.00014	0.79756
Annual Throughput > 3,400,000 thm and <= 7,500,000 thm	\$ 0.25490	0.26266	0.04751	0.20319	0.00000	0.00013	0.76839
Annual Throughput > 7,500,000 thm	\$ 0.15169	0.26266	0.04751	0.20319	0.00000	0.00008	0.66513
Rate SDS - Small Distribution Service							
Customer Charge:							
Annual Throughput > 64,400 thm and <= 110,000 thm	\$ 335.90				0.00	0.17	336.07
Annual Throughput > 110,000 thm and <= 540,000 thm	\$ 1,523.60				0.00	0.76	1,524.36
Usage Charge:							
Annual Throughput > 64,400 thm and <= 110,000 thm	\$ 0.57443	-	-	-	0.00000	0.00029	0.57472 5/
Annual Throughput > 110,000 thm and <= 540,000 thm	\$ 0.53705	-	-	-	0.00000	0.00027	0.53732 5/
Rate LDS - Large Distribution Service							
Customer Charge:							
Annual Throughput > 540,000 thm and <= 1,074,000 thm	\$ 4,082.25				0.00	2.04	4,084.29
Annual Throughput > 1,074,000 thm and <= 3,400,000 thm	\$ 6,349.60				0.00	3.17	6,352.77
Annual Throughput > 3,400,000 thm and <= 7,500,000 thm	\$ 12,245.05				0.00	6.12	12,251.17
Annual Throughput > 7,500,000 thm	\$ 18,140.45				0.00	9.07	18,149.52
Usage Charge:							
Annual Throughput > 540,000 thm and <= 1,074,000 thm	\$ 0.32026	-	-	-	0.00000	0.00016	0.32042 5/
Annual Throughput > 1,074,000 thm and <= 3,400,000 thm	\$ 0.28406	-	-	-	0.00000	0.00014	0.28420 5/
Annual Throughput > 3,400,000 thm and <= 7,500,000 thm	\$ 0.25490	-	-	-	0.00000	0.00013	0.25503 5/
Annual Throughput > 7,500,000 thm	\$ 0.15169	-	-	-	0.00000	0.00008	0.15177 5/

1/ Please see Page No. 21a for rate components.

2/ Please see Page No. 21b for rate components.

3/ The STAS percentage is reflected on Page No. 20 and is applied to the Customer Charge and the Distribution Charge.

4/ The DSIC percentage is reflected on Page No. 21 and is applied to the Customer Charge and the Distribution Charge.

5/ Plus Rider EBS Option 1 or 2 - See Page 21.

Issued: September 25, 2026

Mark Kempic - President

Effective: October 1, 2026

Columbia Gas of Pennsylvania, Inc.

Canceling One Hundred-sixth and One Hundred-seventh Page No. 19

Rate Summary							
Rate per thm							
Main Line Service Rate Schedules Commercial / Industrial	Distribution Charge	Gas Supply Charge 1/	Gas Cost Adjustment	Pass-through Charge 2/	State Tax Adjustment Surcharge 3/	Distribution System Improvement Charge (DSIC) 4/	Total Effective Rate
Rate MLSS - Main Line Sales Service							
Customer Charge:							
Annual Throughput > 274,000 thm and <= 540,000 thm	\$ 469.34				0.00	0.23	469.57
Annual Throughput > 540,000 thm and <= 1,074,000 thm	\$ 1,149.00				0.00	0.57	1,149.57
Annual Throughput > 1,074,000 thm and <= 3,400,000 thm	\$ 2,050.00				0.00	1.03	2,051.03
Annual Throughput > 3,400,000 thm and <= 7,500,000 thm	\$ 4,096.00				0.00	2.05	4,098.05
Annual Throughput > 7,500,000 thm	\$ 7,322.00				0.00	3.66	7,325.66
Usage Charge:							
MLS Class I Annual Throughput > 274,000 thm	\$ 0.00937	0.26266	0.04751	0.20319	0.00000	0.00000	0.52273
MLS Class II:							
Annual Throughput > 2,146,000 thm and <= 3,400,000 thm	\$ 0.04481	0.26266	0.04751	0.20319	0.00000	0.00002	0.55819
Annual Throughput > 3,400,000 thm and <= 7,500,000 thm	\$ 0.03876	0.26266	0.04751	0.20319	0.00000	0.00002	0.55214
Annual Throughput > 7,500,000 thm	\$ 0.03355	0.26266	0.04751	0.20319	0.00000	0.00002	0.54693
Rate MLDS - Main Line Distribution Service							
Customer Charge:							
Annual Throughput > 274,000 thm and <= 540,000 thm	\$ 469.34				0.00	0.23	469.57
Annual Throughput > 540,000 thm and <= 1,074,000 thm	\$ 1,149.00				0.00	0.57	1,149.57
Annual Throughput > 1,074,000 thm and <= 3,400,000 thm	\$ 2,050.00				0.00	1.03	2,051.03
Annual Throughput > 3,400,000 thm and <= 7,500,000 thm	\$ 4,096.00				0.00	2.05	4,098.05
Annual Throughput > 7,500,000 thm	\$ 7,322.00				0.00	3.66	7,325.66
Usage Charge:							
MLS Class I Annual Throughput > 274,000 thm	\$ 0.00937	-	-	-	0.00000	0.00000	0.00937 5/
MLS Class II:							
Annual Throughput > 2,146,000 thm and <= 3,400,000 thm	\$ 0.04481	-	-	-	0.00000	0.00002	0.04483 5/
Annual Throughput > 3,400,000 thm and <= 7,500,000 thm	\$ 0.03876	-	-	-	0.00000	0.00002	0.03878 5/
Annual Throughput > 7,500,000 thm	\$ 0.03355	-	-	-	0.00000	0.00002	0.03357 5/

1/ Please see Page No. 21a for rate components.

2/ Please see Page No. 21b for rate components.

3/ The STAS percentage is reflected on Page No. 20 and is applied to the Customer Charge and the Distribution Charge.

4/ The DSIC percentage is reflected on Page No. 21 and is applied to the Customer Charge and the Distribution Charge.

5/ Plus Rider EBS Option 1 or 2 - See Page 21.

Issued: September 25, 2026

Effective: October 1, 2026

Mark Kempic - President

Columbia Gas of Pennsylvania, Inc.

Other Rates Summary		
Rate per thm		
Description	Rate \$/ thm	Applicable Rate Schedules
Penalty Credit/Pipeline Refund Passback - Residential	\$ (0.02039) 1/	RSS/RDS/CAP
Penalty Credit/Pipeline Refund Passback - Non-Residential	\$ (0.02328) 2/	SGSS/SGDS-P1/SCD/LGSS/MLSS
Price to Compare for Residential Gas Supply	\$ 0.35340 3/	RSS
Price to Compare for Commercial Gas Supply	\$ 0.35036 3/	SGSS (< = 64,400 thms)
State Tax Adjustment Surcharge Percentage	0.000%	Customer and Distribution Charges on all rates
Rate SS - Standby Service	\$ 1.44900	Per therm based on a customer's Maximum Daily Firm Requirement. See Pages 134 - 136 herein for detail.
1/ Penalty Credit and Pipeline Refund passback rate of (\$0.02034) effective April 2026-March 2027 and Penalty Credit and Pipeline Refund passback rate of (0.00005) effective October 2026-September 2027 2/ Penalty Credit and Pipeline Refund passback rate of (\$0.02322) effective April 2026-March 2027 and Penalty Credit and Pipeline Refund passback rate of (0.00006) effective October 2026-September 2027 3/ Please see Page No. 21c for rate components.		

Issued: September 25, 2026

Mark Kempic - President

Effective: October 1, 2026

Columbia Gas of Pennsylvania, Inc.

Rider Summary		
Riders	Rate	Applicable Rate Schedules
Customer Choice - Rider CC	\$ 0.00010 /thm	RSS/RDS/SGSS/SGDS/SCD/DGDS
Universal Service Plan - Rider USP	\$ 0.11724 /thm	RSS/RDS
Distribution System Improvement Charge - Rider DSIC	0.05%	This percentage is applied to the Distribution Charge and the Customer Charge. See Pages 177-180a for Rider DSIC details.
Elective Balancing Service - Rider EBS:		
Option 1 - Small Customer	\$ 0.01452 /thm	SGDS/SDS
Option 1 - Large Customer	\$ 0.00756 /thm	LDS/MLDS
Option 2 - Small Customer	\$ 0.00697 /thm	SGDS/SDS
Option 2 - Large Customer	\$ 0.00226 /thm	LDS/MLDS
Gas Procurement Charge - Rider GPC	\$ 0.00113 /thm	RSS/SGSS/LGSS/MLSS
Merchant Function Charge - Rider MFC	\$ 0.00412 /thm	RSS
Merchant Function Charge - Rider MFC	\$ 0.00108 /thm	SGSS
Purchased Gas Cost - Rider PGC	Pg. 21a & 21b	Rate Schedules specified on Page 21a & 21b
Energy Efficiency Rider - Rider EE	\$ 0.00613 /thm	RSS/RDS
Energy Efficiency Rider - Rider EE	\$ 0.00343 /thm	SGSS/SCD/SGDS
State Tax Adjustment Surcharge Percentage	0.000%	Customer and Distribution Charges on all rates

Issued: September 25, 2026

Mark Kempic - President

Effective: October 1, 2026

Columbia Gas of Pennsylvania, Inc.

Canceling Seventy-eighth and Seventy-ninth Page No. 21a

Gas Supply Charge Summary				
Rate per thm				
Rate Schedule	PGCC	Rider GPC	Rider MFC	Total Gas Supply Charge
Rate CAP - Customer Assistance Plan	\$ 0.26153	0.00113	0.00412	0.26678
Rate RSS - Residential Sales Service	\$ 0.26153	0.00113	0.00412	0.26678
Rate SGSS - Small General Sales Service	\$ 0.26153	0.00113	0.00108	0.26374
Rate LGSS - Large General Sales Service	\$ 0.26153	0.00113	-	0.26266
Rate MLSS - Main Line Sales Service	\$ 0.26153	0.00113	-	0.26266

Issued: September 25, 2026

Mark Kempic - President

Effective: October 1, 2026

Columbia Gas of Pennsylvania, Inc.

Pass-through Charge Summary							
Rate per thm							
Rate Schedule	PGDC	PGDC "E" Factor	Capacity Assignment Factor	Pipeline Refund/ Penalty Credits	Rider CC	Rider USP	Total Pass-through Charge
Rate CAP - Customer Assistance Plan	\$ 0.24974	(0.02327)	-	(0.02039)	-	-	0.20608
Rate RSS - Residential Sales Service	\$ 0.24974	(0.02327)	-	(0.02039)	0.00010	0.11724	0.32342
Rate SGSS - Small General Sales Service	\$ 0.24974	(0.02327)	-	(0.02328)	0.00010	-	0.20329
Rate LGSS - Large General Sales Service	\$ 0.24974	(0.02327)	-	(0.02328)	-	-	0.20319
Rate MLSS - Main Line Sales Service	\$ 0.24974	(0.02327)	-	(0.02328)	-	-	0.20319
Rate RDS - Residential Distribution Service	\$ 0.24974	(0.02327)	(0.03911)	(0.02039)	0.00010	0.11724	0.28431
Rate SCD - Small Commercial Distribution (Choice)	\$ 0.24974	(0.02327)	(0.03911)	(0.02328)	0.00010	-	0.16418
Rate SGDS - Small General Distribution Service							
Priority One (P1)	\$ 0.24974	(0.02327)	-	(0.02328)	0.00010	-	0.20329
Non-Priority One (NP1)	-	-	-	-	0.00010	-	0.00010
Rate SDS - Small Distribution Service	\$ -	-	-	-	-	-	-
Rate LDS - Large Distribution Service	\$ -	-	-	-	-	-	-
Rate MLDS - Main Line Distribution Service	\$ -	-	-	-	-	-	-

Issued: September 25, 2026

Mark Kempic - President

Effective: October 1, 2026

Columbia Gas of Pennsylvania, Inc.

Canceling Seventy-eighth and Seventy-ninth Page No. 21c

Price-to-Compare (PTC) Summary Rate per thm						
Customer Class	PGCC	Gas Cost Adjustment	Capacity Assignment Factor	Rider GPC	Rider MFC	Total Price-to- Compare
Residential	\$ 0.26153	0.04751	0.03911	0.00113	0.00412	0.35340
Commercial < = 64,400 thm/year	\$ 0.26153	0.04751	0.03911	0.00113	0.00108	0.35036

Issued: September 25, 2026

Mark Kempic - President

Effective: October 1, 2026

RIDER PGC - PURCHASED GAS COST

PROVISIONS FOR RECOVERY OF PURCHASED GAS COSTS

RIDER PGC APPLICABLE TO SALES SERVICE CUSTOMERS

Rates for each thm of gas supplied to sales customers subject to this Rider under the Rate RSS, Rate SGSS, Rate LGSS, and Rate MLSS rate schedules shall include \$0.53551 per thm for recovery of purchased gas costs. This rate includes the commodity cost component (CC) of \$0.26153 per thm, the commodity "E" Factor component (CE) of \$0.04751 per thm, the demand cost component (DC) of \$0.24974 per thm, and the demand "E" Factor component of (\$0.02327) per thm. (D)(I)

RIDER PGC APPLICABLE TO SGDS PRIORITY ONE CUSTOMERS

Rates for each thm of gas distributed under the Rate SGDS rate schedules for Priority-One Service customers shall include \$0.22647 per thm for recovery of Purchased Gas Demand Costs (PGDC). This rate includes the DC of \$0.24974 per thm and the demand "E" Factor component of (\$0.02327) per thm. (I)

RIDER PGC CHARGED TO CHOICE DISTRIBUTION SERVICE CUSTOMERS

Rates for each thm of gas distributed under Rate RDS and Rate SCD shall include \$0.18736 per thm for recovery of Purchased Gas Demand Costs. This rate includes the DC of \$0.24974 per thm, the Capacity Assignment Factor (CAF) of (\$0.03911) per thm and the DC "E" Factor component of (\$0.02327) per thm. The CAF represents costs not assignable to Choice Distribution Service customers. (I)(D)

Such rates shall be increased or decreased, from time to time, as provided by Section 1307(f) of the Public Utility Code and the Commission's Regulations, to reflect changes in the level of purchased gas costs, as calculated in the manner set forth below.

PRESENTATION ON CUSTOMER BILLS

For sales service customers served under Rate RSS, Rate SGSS, Rate LGSS and Rate MLSS, the Pass-through Charge includes the PGDC of \$0.24974 per thm plus the demand "E" Factor of (\$0.02327) per thm. The two factors total \$0.22647 per thm. The Gas Supply Charge includes the PGCC of \$0.26153 per thm. The Gas Cost Adjustment is the commodity "E" Factor of \$0.04751 per thm. (I)(D)

For General Distribution Service customers served under Priority-One Rate SGDS, the Pass-through Charge includes the PGDC of \$0.24974 per thm and the demand "E" Factor component of (\$0.02327) per thm, totaling \$0.22647 per thm. (I)

For Choice Distribution Service customers served under Rate RDS or Rate SCD, the Pass-through Charge includes the PGDC of \$0.24974 per thm, the CAF of (\$0.03911) per thm and the demand "E" Factor component of (\$0.02327) per thm, all of which total \$0.18736 per thm. (I)(D)

QUARTERLY UPDATES

The Company's rates for recovery of purchased gas costs are also subject to quarterly adjustments under procedures set forth in the Commission's regulations at 52.Pa. Code § 53.64 (i) (5). Such updates shall reflect, in addition to the provisions of the regulation, adjustments to the projected commodity cost of purchased gas based upon more current versions of the same sources of data and using the same methods to project the commodity cost of purchased gas approved by the Commission in the Company's most recent annual proceeding for recovery of purchased gas costs under section 1307(f) of the Public Utility Code.

(D) Indicates Decrease (I) Indicates Increase

RIDER PGC - PURCHASED GAS COST (Continued)

COMPUTATION OF PURCHASED GAS DEMAND COSTS PER THM – Continued

Supplier Refunds and Pipeline Penalty Credits that are not included in "CE" will be included in the calculation of "DE". Supplier Refunds and Pipeline Penalty Credits will include interest added at the annual rate of six percent (6%) calculated from the month received to the effective month such refund is refunded. The period over which such refunds will be made shall be established by the Commission.

"S" - projected thms of gas to be billed to customers under the distribution charges of the Rate RSS, Rate SGSS, Rate LGSS, and Rate MLSS rate schedules plus the projected thm of gas to be distributed to customers under Rate RDS, Rate SCD and SGDS Priority One Distribution rate schedules of this Tariff during the period when rates will be in effect.

The portion of Supplier Refunds and Penalty Credits that would otherwise be credited to residential customers shall be credited to the Hardship Fund (mentioned in the USP Rider section of this tariff) when the balance of the Hardship Fund falls below \$750,000. The non-residential portion of Supplier Refunds and Penalty Credits will be credited to applicable non-residential customers through the PGC. When the Hardship Fund balance is \$750,000 or more, and Pipeline Supplier Refunds and Pipeline Penalty Credits received by the Company will be included in the calculation of the PGDC as specified above.

PROVISION OF PURCHASED GAS DEMAND COST CREDIT DUE TO CUSTOMERS ELECTING CHOICE DISTRIBUTION SERVICE – CAPACITY ASSIGNMENT FACTOR (CAF)

The Purchased Gas Demand Cost (PGDC) rate included in the Pass-through Charge billed to Choice Distribution Service customers served under Rate RDS or Rate SCD shall be \$0.21063 per thm. Such rate shall be equal to the PGDC component of \$0.24974 per thm as calculated above, less the CAF of \$0.03911 per thm. The CAF shall be equal to the projected annual cost of assigned Firm Capacity less estimated annual storage commodity costs (storage injection, withdrawal, shrinkage and commodity transportation cost) with the net divided by the estimated, normalized annual usage of customers electing Choice Distribution Service. The CAF of \$0.03911 per thm representing costs not assignable to CHOICE customers shall be included in the Price-to-Compare.

(I)

DETERMINATION OF OVER/UNDERCOLLECTION OF GAS COSTS

Commodity E-factor

In computing the experienced over/under collection of purchased gas commodity costs for a period defined by the Commission, the following procedure shall be used:

- (a) All experienced purchased gas commodity costs actually incurred by the Company to service customers pursuant to all rate schedules of this Tariff.

Experienced purchased gas commodity costs shall include, but not be limited to, the following:

- (1) payments to suppliers to accept assignment of capacity on interstate pipelines other than Columbia Gas Transmission, LLC to the extent permitted under the Rules Applicable to Distribution Service;
- (2) costs paid for employing futures, options and other risk management tools, including but not limited to, supplier related costs associated with the fixed price contracts or financial contracts utilized by the Company to lessen the impact of price volatility for PGC customers; and
- (3) the index price of gas purchased from distribution customers under the provisions of the Deliveries in Excess of Consumption section of Paragraph 3 of the Rules Applicable to Distribution Service.

(D) Indicates Decrease (I) Indicates Increase