

PROVISION FOR GAS COST RATE

(C)

(1)

\$0.45041 per Ccf (i)

The gas cost rate shall be computed to the nearest one hundredth of a cent (\$0.0001) per Mcf in accordance with the formula set forth below:

$$\text{GCR} = \frac{(C - E)}{S}$$

DEFINITIONS

(C)

"C" -- the current cost of gas, determined as follows: (a) for all types of purchased gas, project the gas costs as defined by 66 Pa.C.S. §1307(h), including, but not limited to, any fees or costs incurred for gas acquisition and management, including credit costs, and any costs for risk management (e.g., calls, straddles, options, collars, etc.), for the computation year (adjusted for net current gas stored); plus (b) the arithmetical sum of (1) the projected book value of noncurrent gas at the beginning of the computation year, minus (2) the projected book value of noncurrent gas at the end of the computation year, adjusted (3) for any forecasted costs or credits, including gas commodity uncollectible costs, a return on the Company's annual average natural gas inventories, Standby Credits, profit margins and costs of Off-system Sales, and gas costs related to Alternate Fuel Delivery customers.

"E" -- experienced net over collection (or under collection) of the cost of purchased gas for twelve (12) month period ending with the August billing period, including interest.

"S" – projected Mcf of gas to be billed to customers during the computation year.

Interest shall be computed monthly at the prime rate for commercial borrowing from the month the over or under collection occurs to the effective month such over collection is refunded or such under collection is recouped.

(C) Indicates Change (I) Indicates Increase

Issued: October 2, 2025

Effective: November 1, 2025

By: Edward E. Rogers, President & Chief Executive Officer
523 S. Keystone Ave.
Sayre, PA 18840-0340
(570) 888-9664

RIDER "A" - GAS COST RATE (Continued)

DEFINITIONS (Continued)

Additionally, pipeline refunds received prior to the end of the August billing period will be included in the factor "E" with interest added at the annual rate of six percent (6%) calculated in accordance with the foregoing procedure beginning with the month such refund is received by the Company.

* * *

"Purchased Gas" -- the volume of gas purchased by the Company that is delivered to the Company's customers, plus such portion of the company-used and unaccounted-for gas as the Commission permits, including, but not limited to, natural gas, liquefied natural gas, synthetic gas, liquefied propane and naptha.

"Computation Year" -- the fiscal year from November through October.

FILING WITH PENNSYLVANIA PUBLIC UTILITY COMMISSION; AUDIT; RECTIFICATION

The filing of the Company's annual gas cost rate effective during the billing periods of November through October shall be submitted to the Commission by September 2 of each year, sixty (60) days prior to the November 1 effective date. The filing of the Company's final filing, together with the revisions to data in the preliminary filing, shall be submitted to the Commission by October 2 of each year, thirty (30) days prior to the November 1 effective date.

The application of the gas cost rate shall be subject to continuous review and to audit by the Commission at such intervals as the Commission shall determine. The Commission shall continuously review the reasonableness and lawfulness of the amounts of the charges produced by the gas cost rate and the charges included herein.

(C) Indicates Change

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By: Edward E. Rogers, President & Chief Executive Officer
523 S. Keystone Ave.
Sayre, PA 18840-0340
(570) 888-9664

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(C)

(C)

RIDER "A" - GAS COST RATE (Continued)

FILING WITH PENNSYLVANIA PUBLIC UTILITY COMMISSION; AUDIT; RECTIFICATION
(Continued)

If from such audit it shall be determined, by final order entered after notice and hearing, that this clause has been erroneously or improperly utilized, the Company will rectify such error or impropriety, and in accordance with the terms of the order apply credits against future gas cost rates for such revenues as shall have been erroneously or improperly collected. The Commission's order shall be subject to the Right of Appeal.

* * *

EXCLUSION FROM OTHER CHARGES

Amounts billed for the gas cost rate shall not be subject to the state tax adjustment surcharges set forth elsewhere in this Tariff.

(C) Indicates Change

Issued: September 2, 2016

Effective: November 1, 2016

By: Robert J. Crocker, President & Chief Executive Officer
523 S. Keystone Ave.
Sayre, PA 18840-0340
(570) 888-9664

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(C)

RIDER "B" - STATE TAX SURCHARGE

In addition to the charges provided in this tariff, a surcharge of 0.0095% will apply to all bills for sales service rendered on or after January 1, 2025.

(C) (I)
(C)

The above surcharge will be recomputed, using the elements prescribed by the Commission:

1. Whenever any of the tax rates used in calculation of the surcharge are changed.
2. Whenever the utility makes effective increased or decreased rates.
3. And on March 31, 1992, and each year thereafter.

The above recalculation will be submitted to the Commission within ten days after the occurrence of the event or date which occasions such recomputation. If the recomputed surcharge is less than the one in effect the utility will, and if the recomputed surcharge is more than the one then in effect the utility may submit with such recomputation a tariff or supplement to reflect.

(C) Indicates Change

(I) Indicates Increase

Issued: December 19, 2024

Effective: January 1, 2025

By: Edward E. Rogers, President & Chief Executive Officer
523 S. Keystone Ave.
Sayre, PA 18840-0340
(570) 888-9664