

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

National Fuel Gas Distribution Corporation	:	
Supplement No. 228 to Tariff Gas – Pa. P.U.C.	:	R-2021-3027406
No. 9	:	
Office of Small Business Advocate	:	
	:	
v.	:	C-2021-3028654
	:	
National Fuel Gas Distribution Corporation	:	

RECOMMENDED DECISION

Before
Joel H. Cheskis
Deputy Chief Administrative Law Judge

Gail M. Chiodo
Administrative Law Judge

INTRODUCTION

This decision recommends that the Commission approve without modification the Joint Petition for Approval of Settlement of All Issues (“Joint Petition” or “Settlement”) filed by National Fuel Gas Distribution Corporation (“NFG” or “Distribution”) and the Office of Small Business Advocate (“OSBA”). Further, the sole intervenor, the Office of Consumer Advocate (“OCA”), does not oppose the Settlement. This decision concludes that the Settlement is supported by substantial evidence and is in the public interest.

The Settlement is a full settlement of all issues and concerns raised in the instant proceeding by OSBA. The Settlement slightly revises the base rate reductions set forth in Supplement No. 228 to Tariff Gas – Pa. P.U.C. No. 9 for the Commercial/Public

Authority/Industrial classes and increases the surcredit to be made available to those classes, all on a prospective basis, without impacting the benefits accruing to Residential customers from the Company's original filing.¹

HISTORY OF THE PROCEEDING

On July 22, 2021, NFG filed Supplement No. 228 to Tariff Gas – Pa. P.U.C. No. 9 with the Pennsylvania Public Utility Commission (“Commission”). In this filing, NFG sought to begin to refund over-collected Other Post-Employment Benefits (“OPEB”) expenses to customers. No protests or other adverse pleadings were timely filed. On September 15, 2021, the Commission entered an Order approving Supplement No. 228. On September 30, 2021, NFG filed Supplement No. 232 to Tariff Gas – Pa. P.U.C. No. 9 in compliance with the Commission's Order entered September 15, 2021, at Docket No. R-2021-3027406. Supplement No. 232, effective on October 1, 2021, incorporates the changes approved in Supplement No. 228, and corrected other minor matters. On October 20, 2021, the Commission issued a Secretarial Letter regarding the compliance filing that approved the revisions set forth in Supplement No. 232. The rates contained therein are now in effect.

On September 22, 2021, OSBA filed a formal complaint at Docket No. C-2021-3028654. In its complaint, OSBA expressed concerns regarding NFG's proposed allocation of the rate reductions, rate surcredits and one-time bill credits among the various rate classes, in particular how these reductions would affect small business customers. On October 1, 2021, NFG filed an answer to OSBA's complaint denying that an additional evaluation was needed. On October 5, 2021, OCA filed a Notice of Intervention. By Secretarial Letter issued on October 20, 2021, OSBA's complaint was assigned to the Office of Administrative Law Judge for appropriate action, and the undersigned Administrative Law Judges (“ALJs”) were assigned to preside over this proceeding.

¹ On September 15, 2021, the Commission adopted and entered an Order approving Tariff Supplement No. 228 and the rate is now in effect. On September 22, 2021, OSBA filed the instant complaint to an already approved tariff.

On October 28, 2021, a Prehearing Conference Order was issued scheduling a prehearing conference for November 17, 2021. On November 9, 2021, counsel for NFG notified the ALJs via e-mail that the parties were close to reaching a settlement in principle and requested that the requirement to file prehearing memoranda be cancelled. The ALJs granted this request via e-mail. On November 15, 2021, counsel for NFG notified the ALJs via e-mail that the parties reached a settlement in principle.

On November 17, 2021, the prehearing conference was held as scheduled. At the prehearing conference, counsel for NFG, OSBA and OCA confirmed that a settlement had been reached. Counsel further represented that the Settlement as well as related documents would be filed no later than December 1, 2021.

On December 1, 2021, NFG and OSBA (“Joint Petitioners”) filed a Joint Petition for Approval of Settlement of All Issues (“Settlement” or “Joint Petition”) which also indicated that OCA does not oppose the Settlement. Attached to the Settlement are seven appendices marked “A” through “G.” Appendix A is the *pro forma* tariff supplement; Appendix B is a chart showing the revisions to the base rate reductions and surcredit; Appendices C through E are proposed findings of fact, conclusions of law, and ordering paragraphs respectively and Appendices F and G are statements in support of the settlement from NFG and OSBA respectively. Further, in the Settlement the Joint Petitioners stipulated that certain documents, including testimony and exhibits thereto, can be entered into the record without cross-examination or objection by any other party. Accordingly, these documents will be entered into the record in the Ordering paragraphs below.

The record closed on December 1, 2021, upon the filing of the Settlement and related documents including Appendix A, the *pro forma* tariff supplement, and Appendix B, a chart showing the revisions to the base rate reductions and surcredit.

For the reasons discussed below, the Settlement will be recommended for adoption in its entirety without modification because it is supported by substantial evidence and is in the public interest.

FINDINGS OF FACT

Joint Petitioners filed proposed findings of fact in Appendix C to their Settlement, which are adopted, verbatim, below, as follows:

1. National Fuel Gas Distribution Corporation (“Distribution” or the “Company”) is a “public utility” and “natural gas distribution company” (“EDC”) as those terms are defined in Sections 102 and 2803 of the Public Utility Code, 66 Pa. C.S. §§ 102, 2202, subject to the regulatory jurisdiction of the Pennsylvania Public Utility Commission (“Commission”). Distribution provides natural gas Distribution services to customers located in its certificated service territory.
2. On July 22, 2021, Distribution filed Supplement No. 228 to Tariff Gas – Pa. P.U.C. No. 9 (“Supplement No. 228”) with the Commission.
3. Distribution’s Supplement No. 228 was accompanied by a Statement of Reasons, response to the Commission’s filing requirements, and Distribution Statement Nos. 1 and 2.
4. Distribution witness Mr. Koch testified that the Supplement No. 228 was designed to reduce rates by the amount currently included for recovery of Other Post-Employment Benefits (“OPEB”) expenses. (Distribution Statement No. 1 at 2.)
5. Distribution’s witnesses stated that the amount of OPEB expenses included in base rates is \$7,704,085, in accordance with the Company’s settlement at Docket No. R-00061493. (Distribution Statement No. 1 at 2; Distribution St. 2 at 4.)
6. Distribution witness Mr. Weidner explained the method used to account for OPEBs and related deferrals, and calculated the amount of the regulatory liability recorded on Distribution’s general ledger as of March 31, 2021. (Distribution Statement No. 2 at 5-6.)
7. Mr. Weidner also testified regarding the amount of the regulatory liability that is due to ratepayers, how much ratepayers have contributed related to OPEB costs since rates went into effect under Docket No. R-00061493, and the

aggregate amount of actual SFAS 106 costs since rates went into effect. (Distribution Statement No. 2 at 7-8.)

8. Distribution witness Mr. Koch also explained that the Company was only recovering the expense component of OPEB costs from customers. (Distribution Statement No. 1 at 3.)
9. Distribution explained that it is collecting more in rates than is needed for OPEB benefit obligations. (Distribution Statement No. 1 at 4-5.)
10. In addition, Distribution testified that it was complying with the funding requirements of the settlement at Docket No. R-00061493 and contributing to the VEBA or 401(h) accounts in accordance with its terms. (Distribution Statement No. 2 at 9-10.)
11. The funds collected from ratepayers that reside in the grantor trust are not needed to fund future OPEB benefit obligations and can be utilized if authorized by an order of the Commission. (Distribution Statement No. 1 at 5; Distribution Statement No. 2 at 10-12.)
12. Distribution proposed a one-time bill credit to refund approximately \$25,000,000 of the OPEB regulatory. (Distribution Statement No. 1 at 7-8)
13. Distribution also proposed to refund approximately \$25,000,000 through a five-year surcredit.
14. The surcredit did not include a reconciliation mechanism and is not subject to interest, while it is in place for five years or until each class refund is completed. (Distribution Statement No. at 8-9.)
15. Distribution further proposed to address the remaining liability owed to ratepayers in a future general base rate case initiated by Distribution. (Distribution Statement No. 2 at 12.)
16. No protests or other adverse pleadings were timely filed.
17. On September 15, 2021, the Commission entered an Order approving Supplement No. 228.

18. On September 30, 2021, Distribution filed Supplement No. 232 to Tariff Gas – Pa. P.U.C. No. 9 (“Supplement No. 232”) in compliance with the Commission’s Order entered September 15, 2021, at Docket No. R-2021-3027406. Supplement No. 232, effective on October 1, 2021, incorporates the changes approved in Supplement No. 228, and corrected other minor matters.

19. On October 20, 2021, the Commission issued a Secretarial Letter regarding the compliance filing that approved the revisions set forth in Supplement No. 232. The rates contained therein are now in effect.

Settlement, Appendix C, Proposed Findings of Fact, Nos. 1- 19.²

JOINT PETITION FOR SETTLEMENT

Stipulation for the Admission of Evidence

As part of the Settlement, the Joint Petitioners stipulated that certain documents, including testimony and exhibits thereto, could be entered into the record without cross-examination or objection by any other party. Specifically, the Joint Petitioners moved that the following documents be admitted into the record:

- Distribution Exhibit 1 - Supplement No. 228 to Tariff Gas – Pa. P.U.C. No. 9, filed on July 22, 2021, with an effective date of October 1, 2021.
- Distribution Exhibit 2 – Statement of Reasons attached to Tariff Gas – Pa. P.U.C. No. 9 as Appendix A, filed on July 22, 2021.
- Distribution Exhibit 3 – Company responses to the Commission’s Filing Requirements concerning Changes in Tariff Gas – Pa. P.U.C. No. 9, filed on July 22, 2021.
- Distribution Exhibit 4 - Supplement No. 232 to Tariff Gas – Pa. P.U.C. No. 9 , filed on September 30, 2021, with an effective date of October 1, 2021.

² The Joint Petitioner’s remaining proposed findings of fact Nos. 20-31 are incorporated in other parts of this decision including the history of the proceeding and terms of the Settlement.

- Distribution Statement No. 1 – Direct Testimony of Donald N. Koch, including Distribution Exhibits DNK-1 through DNK-5, submitted alongside Tariff Gas – Pa. P.U.C. No. 9, on July 22, 2021.
- Distribution Statement No. 2 – Direct Testimony of Michael P. Weidner, including Distribution Exhibit MPW-1, submitted alongside Tariff Gas – Pa. P.U.C. No. 9, on July 22, 2021.

Settlement at 6-7.³

TERMS OF THE SETTLEMENT

The terms of the Settlement are set forth in Section III of the Joint Petition and for ease of reference they are re-stated in verbatim below using the same paragraph numbering in the Joint Petition:

14. The following terms of this Settlement reflect a carefully balanced compromise of the Joint Petitioner’s positions. The Joint Petitioners agree that the Settlement is in the public interest.
15. The Joint Petitioners agree that OSBA’s Formal Complaint at Docket No. C-2021-3028654 is dismissed, subject to the terms and conditions of this Settlement that modify Supplement No. 232 to Tariff Gas – Pa. P.U.C. No. 9.
16. The base rate reductions revisions and surcredit revisions are set forth in **Appendix B**.
17. The Company accepts OSBA’s proposal of the reallocation of the base rate reduction amongst the Commercial/Public Authority/Industrial classes to become effective on and after Commission’s approval of this settlement on a prospective basis.
18. The surcredit to be made available on a prospective basis to the Commercial/Public Authority/Industrial classes will be increased by \$837,500 to \$5,837,500 on an annual basis

³ The Joint Petitioners also stated that copies of the above-identified testimony and exhibits will be filed electronically with the Commission pursuant to Section 5.412a of the Commission’s regulations. *See* 52 Pa. Code § 5.412a.

through the 5-year surcredit amortization commencing with Commission approval of this settlement.

- 19.No adjustments will be made to the One-Time Bill Credit customers received on October 1, 2021.
- 20.The total 5-year impact of the One-Time Bill Credit and the revised surcredit to customers increases the return of amounts to customers from \$50,000,000 to \$54,000,000.
- 21.The total \$54 million to be passed back to customers through the One-Time Bill Credit and surcredit mechanisms will reduce the regulatory liability due to customers that existed at September 30, 2021. The remaining regulatory liability balance due to customers will be addressed in the next base rate proceeding. The total impact will further reduce the balance of the regulatory liability owed to ratepayers and will be reflected on the appropriate tariff pages at the time of the appropriate filings.
- 22.The benefits accruing to Residential customers from the Company's original filing will not be impacted by this settlement.
- 23.The Petitioners request that Distribution be permitted to file the pro forma tariff supplement contained in Appendix A on one-day's notice following approval of this Settlement.

Settlement at 3-4 (emphasis in original).

The Settlement also stated other conditions typical of settlements including, *inter alia*, that it is conditioned upon the Commission's approval and if the Commission approves the Settlement without modification, the Joint Petitioners acknowledge that that the rates, rules and proposals set forth in the Settlement and Appendix A attached thereto, shall be Commission made rates. (See Settlement at 5-6 for all of the conditions to the Settlement).

DISCUSSION

Legal Standards

In the instant case, the parties submitted a full settlement of all issues and concerns raised in the instant proceeding. The policy of the Commission is to encourage

settlements, and the Commission has stated that settlement rates are often preferable to those achieved at the conclusion of a fully litigated proceeding. 52 Pa. Code §§ 5.231, 69.401. Proceedings involving rates often are expensive to litigate, and the reasonable cost of such litigation is an operating expense recovered in the rates approved by the Commission. A full settlement of all the issues in a proceeding eliminates the time, effort and expense that otherwise would have been used in litigating the proceeding. A settlement benefits not only the named parties directly, but, indirectly, all customers of the public utility involved in the case. For this and other sound reasons, settlements are encouraged by long-standing Commission policy. *See, Joint Application of UGI Utils., Inc. for Approval of Merger*, Docket No. A-2018-3000381 (Opinion and Order entered September 20, 2018).

The focus of inquiry for determining whether a proposed settlement should be recommended for approval is not a “burden of proof” standard, as is utilized for contested matters. *Pa. Pub. Util. Comm’n v. City of Lancaster – Bureau of Water*, Docket No. R-2010-2179103 (Opinion and Order entered July 14, 2011) (*Lancaster*). Instead, the benchmark for determining the acceptability of a settlement or partial settlement is whether the proposed terms and conditions are in the public interest. *Id.*, citing, *Warner v. GTE N., Inc.*, Docket No. C-00902815 (Opinion and Order entered April 1, 1996) (*Warner*); *Pa. Pub. Util. Comm’n v. CS Water & Sewer Assocs.*, 74 Pa. PUC 767 (1991). In addition, the Commission has held that parties to settled cases are afforded flexibility in reaching amicable resolutions, so long as the settlement is in the public interest. *Pa. Pub. Util. Comm’n v. MXenergy Elec. Inc.*, Docket No. M-2012-2201861 (Opinion and Order entered Dec. 5, 2013).

Because the Joint Petitioners request the Commission enter an order in this proceeding approving the Settlement without modification, they share the burden of proof to show that the terms and conditions of the Settlement are in the public interest. *See* 66 Pa.C.S. § 332(a) (“Except as may be otherwise provided in section 315...or other provisions of this part . . . the proponent of a rule or order has the burden of proof.”) *Pa. Pub. Util. Comm’n v. Pike Cnty. Light & Power (Elec.)*, Docket No. R-2013-2397237 (Order entered Sept. 11, 2014).

Further, the decision of the Commission must be supported by substantial evidence. 2 Pa.C.S. § 704. “Substantial evidence” is such relevant evidence that a reasonable mind might accept as adequate to support a conclusion. More is required than a mere trace of evidence or a suspicion of the existence of a fact sought to be established. *Norfolk & W. Ry. Co. v. Pa. Pub. Util. Comm’n*, 413 A.2d 1037 (Pa. 1980); *Murphy v. Pa. Dep’t of Pub. Welfare, White Haven Ctr.*, 480 A.2d 382 (Pa. Cmwlth. 1984).

Joint Petitioners’ positions

Each Joint Petitioner included a separate statement in support of the Settlement. Both Petitioners agree that the Settlement reflects a carefully balanced compromise of the interests of the Joint Petitioners, is in the public interest and fully resolves OSBA’s complaint. Therefore, the Joint Petitioners urge the Commission to adopt the Settlement without modification.

In its complaint, the OSBA expressed concerns regarding the Company’s proposed allocation of the rate reductions, rate surcredits and one-time bill credits among the various rate classes.⁴ In particular, OSBA believed that the Company’s proposed methodology to allocate the credits in proportion to the allocation of the revenue deficiency in the Company’s last base rates case in 2006 failed to reflect the allocation of the underlying OPEB costs and served to penalize some small business customer classes that had been assigned small rate increases in 2006 because they were already substantially overpaying their cost of service.

In its statement in support of the Joint Petition, OSBA states that the Settlement addresses the concerns raised by OSBA because it proposes to make adjustments that are designed to better align the credits with how the OPEB costs were allocated in the Company’s last base rate proceedings. Further, OSBA notes that where it was unreasonably complicated to

⁴ In its complaint, OSBA also expressed concerns regarding Distribution’s proposal to cease regulatory deferral accounting. However, for purposes of the Settlement, OSBA took no exception to NFG’s proposals as to the regulatory deferral account mechanism for OPEB cost reconciliation. In its Statement in Support of the Joint Petition, OSBA explained that it deferred to the OCA with respect to this issue and because the OCA did not contest this issue, the OSBA took no exception to NFG’s proposals. *See*, OSBA Statement in Support of Joint Petition at 3.

modify certain allocation mechanisms, such as the bill credit, which has already been made, the allocation of the other credits was modified to produce what OSBA believes is a reasonable overall result. (*See* OSBA’s Statement in Support at 3-4).

Further, OSBA also points out that while it accepts for the purpose of settlement NFG’s originally-filed proposal to allocate the rate reductions among the residential, commercial, and industrial rate class groups based on the allocation of the revenue deficiency in the last proceeding, that the Joint Petition proposes a change within the Commercial and Public Authority (“C&PA”) rate class group and within the industrial rate class group (Small, Intermediate and Large Volume Industrial Service or “SVIS/IVIS/LVIS”) classes. OSBA is satisfied that the Joint Petition proposes that the rate reduction values be allocated in a manner that better reflects the allocated OPEB costs from the last base rate proceeding, which has the impact of providing larger rate reductions for smaller customers within each group. (OSBA’s Statement in Support at 4).

Next, OSBA points out in its statement in support of the settlement that NFG originally proposed to credit \$50 million of the OPEB deferral account balance to ratepayers, split evenly between a one-time bill credit and a five-year surcredit mechanism, which OSBA believed was unduly discriminatory to small business customers. However, for the practical reason that the credit has already been made, OSBA is satisfied that the Joint Petition retains the Company’s original proposed allocation but increases the total amount of the surcredit from \$5 million per year over five years to \$5.8 million per year. OSBA argues that this overall increase in the credit allows NFG to assign larger credits to the non-residential rate classes, while retaining the credit originally proposed for the residential class. (OSBA’s Statement in Support at 4-5). In OSBA’s view, the revised allocation eliminates the undue discrimination against small business customers in the original filing which is particularly evident for the SC&PA subclass of customers using between 250 and 1,000 mcf per year (“SC&PA GT 250”), where the Company’s original proposal only assigned minimal credits to those customers. (*Id.* at 5).

In its statement in support of the Joint Petition, NFG states that the Settlement fully resolves OSBA’s complaint because it reflects OSBA’s proposal to slightly reallocate the

base rate reductions set forth in NFG's initial filing amongst the Commercial/Public Authority/Industrial classes. The proposal also increases the surcredit to be made available on a prospective basis to these classes by approximately \$837,500 per year, through the 5-year surcredit period. (*See*, NFG's Statement in Support at 3). Further, NFG points out that the Settlement proposes relatively minimal changes to the initial OPEB Supplement No. 228 tariff filing that was approved by the Commission on September 15, 2021. (*Id.*).

NFG also points out that the Settlement also makes no adjustments to the One-Time Bill Credit customers received on October 1, 2021. (NFG's Statement in Support at 3). This ensures that customers' previously obtained benefits of the Company's initial filing are not disturbed. Overall, the Settlement ultimately results in an increase in the total 5-year return of amounts to customers from approximately \$50,000,000 to approximately \$54,000,000. The Settlement also specifies how the amounts to be passed back to customers will reduce the overall regulatory liability due to customers. (*Id.*).

Finally, NFG explains that importantly, the benefits accruing to Residential customers from NFG's original filing will not be impacted by the Settlement. The reallocation of revenues under the Settlement ensures that residential customers continue to obtain the same benefits they were afforded under the Company's original filing.

Disposition

We agree with the Joint Petitioners that, significantly, the Settlement achieves the same primary purpose of the initial filing. As explained in NFG's testimony, NFG was collecting more in rates than it needed for OPEB benefit obligations. (Distribution St. No. 1 at 4-5). And, consistent with the settlement at Docket No. R-00061493, funds collected from ratepayers that reside in the grantor trust are not needed to fund future OPEB benefit obligations and can be returned to customers. (Distribution St. No. 1 at 5; Distribution St. No. 2 at 10-12).

The Settlement, like NFG's initial proposal, returns these funds to ratepayers, and in fact returns more of these funds to customers within the 5-year surcredit period.

We also find it significant that the benefits accruing to Residential customers from NFG's original filing will not be impacted by the Settlement. (Settlement ¶ 22). The Settlement slightly revises the base rate reductions set forth in Supplement No. 228 to Tariff Gas – Pa. P.U.C. No. 9 for the Commercial/Public Authority/Industrial classes and increases the surcredit to be made available to those classes, all on a prospective basis, without impacting the benefits accruing to Residential customers from the Company's original filing. Further, since the Settlement makes no adjustments to the One-Time Bill Credit customers already received, the benefits that customers have previously obtained will not be disturbed.

It is further noted that the Settlement is also in the public interest because of the general benefits of agreeing to a settlement. The settlement will save the parties from expending substantial time and expense involved with further litigation on the settled issues. Although the parties exchanged discovery, additional costs could have included the preparation and exchange of pre-served testimony, lengthy hearings, briefs, exceptions and possible appeals. Avoiding such expenditures minimizes the costs that might ultimately be passed on to the ratepayers, and also conserves the resources of all other parties involved in these proceedings and Commission resources as well.

In addition, the Settlement is supported by substantial evidence. On appeal, decisions of the Commission will be examined to determine if they are supported by substantial evidence. 2 Pa.C.S. § 704. In this proceeding, the parties moved into the record by stipulation and with cross-examination waived multiple pieces of pre-served testimony with accompanying exhibits and verifications. The inclusion of the pre-served testimony supports adopting the Settlement as being supported by substantial evidence.

After careful review of the record, we agree that the Settlement reflects a carefully balanced compromise of the interests of the Joint Petitioners, is supported by substantial

evidence and is in the public interest. *Lancaster, Warner*. The proposals set forth in the Settlement result in an overall reasonable allocation of the proposed rate reductions and credits. Therefore, we recommend that the Commission approve the Settlement without modification.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the subject matter and the parties to this proceeding. 66 Pa.C.S. §§ 701, 1301, 1308(d).
2. Under Section 1301 of the Public Utility Code, a public utility's rates must be just and reasonable. 66 Pa.C.S. § 1301.
3. Commission policy promotes settlements. 52 Pa. Code § 5.231.
4. Settlements lessen the time and expense the parties must expend litigating a case and at the same time conserves administrative resources. Settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. 52 Pa. Code § 69.401.
5. The benchmark for determining the acceptability of a settlement is whether the proposed terms and conditions are in the public interest. *Pa. Pub. Util. Comm'n v. City of Lancaster – Bureau of Water*, Docket No. R-2010-2179103 (Opinion and Order entered July 14, 2011).
6. The Joint Petitioners have the burden to prove that the Settlement is in the public interest. *Pa. Pub. Util. Comm'n v. Pike Cnty. Light & Power (Elec.)*, Docket No. R-2013-2397237 (Order entered Sept. 11, 2014).
7. The decision of the Commission must be supported by substantial evidence. 2 Pa.C.S. § 704.

8. “Substantial evidence” is such relevant evidence that a reasonable mind might accept as adequate to support a conclusion. More is required than a mere trace of evidence or a suspicion of the existence of a fact sought to be established. *Norfolk & W. Ry. Co. v. Pa. Pub. Comm’n*, 413 A.2d 1037 (Pa. 1980); *Murphy v. Pa. Dep’t of Pub. Welfare, White Haven Ctr.*, 480 A.2d 382 (Pa. Cmwlth. 1984).

9. The rates and terms of service set forth in the Settlement and the *pro forma* tariff supplement attached to the Settlement as “Appendix A” are supported by substantial evidence and are in the public interest.

ORDER

THEREFORE,

IT IS RECOMMENDED:

1. That pursuant to the Stipulation for the Admission of Evidence, the following documents, including testimony and exhibits thereto, are admitted into the record in this proceeding:
 - (a) Distribution Exhibit 1 - Supplement No. 228 to Tariff Gas – Pa. P.U.C. No. 9, filed on July 22, 2021, with an effective date of October 1, 2021.
 - (b) Distribution Exhibit 2 – Statement of Reasons attached to Tariff Gas – Pa. P.U.C. No. 9 as Appendix A, filed on July 22, 2021.
 - (c) Distribution Exhibit 3 – Company responses to the Commission’s Filing Requirements concerning Changes in Tariff Gas – Pa. P.U.C. No. 9, filed on July 22, 2021.
 - (d) Distribution Exhibit 4 - Supplement No. 232 to Tariff Gas – Pa. P.U.C. No. 9, filed on September 30, 2021, with an effective date of October 1, 2021.
 - (e) Distribution Statement No. 1 – Direct Testimony of Donald N. Koch, including Distribution Exhibits DNK-1 through DNK-5, submitted alongside Tariff Gas – Pa. P.U.C. No. 9, on July 22, 2021.

(f) Distribution Statement No. 2 – Direct Testimony of Michael P. Weidner, including Distribution Exhibit MPW-1, submitted alongside Tariff Gas – Pa. P.U.C. No. 9, on July 22, 2021.

2. That copies of the above-identified testimony and exhibits be filed electronically with the Commission by the parties pursuant to Section 5.412a of the Commission’s regulations. 52 Pa. Code § 5.412a.

3. That the Joint Petition for Approval of Settlement of All Issues filed on December 1, 2021, in this proceeding at Docket Nos. R-2021-3027406 and C-2021-3028654 be approved, without modification.

4. That upon entry of the Commission’s Order approving the Joint Petition for Approval of Settlement of All Issues, Natural Fuel Gas Distribution Corporation shall be permitted to file the *pro forma* tariff supplement attached to the Settlement as Appendix A to become effective upon at least one day’s notice.

5. That the formal complaint of the Office of Small Business Advocate at Docket No. C-2021-3028654 be deemed satisfied and marked closed.

Date: January 5, 2022

_____/s/
Joel H. Cheskis
Deputy Chief Administrative Law Judge

_____/s/
Gail M. Chiodo
Administrative Law Judge