

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17120

Pennsylvania Public Utility Commission
Office of Consumer Advocate
Office of Small Business Advocate

Notational Vote July 25, 2022
3030235-OSA
Docket No. R-2022-3030235
C-2022-3030573
C-2022-3030730

v.

**National Fuel Gas Distribution
Corporation**

STATEMENT OF CHAIRMAN GLADYS BROWN DUTRIEUILLE

Before the Commission for consideration and disposition is the Joint Petition for Partial Settlement of National Fuel Gas Distribution Corporation's (NFG's or the Company's) 2022-2023 Gas Cost Recovery Proceeding.

The Partial Settlement addresses all issues except NFG's proposed Renewable Natural Gas Pilot (RNG Pilot), which the Parties reserved for litigation. The proposed RNG Pilot would have NFG procure approximately 0.05% of its annual gas supply from RNG sources via one, two, and three-year contracts. The Company would then sell the environmental attribute associated with the RNG contracts, otherwise known as Renewable Identification Numbers or RINs,¹ to offset any premiums realized by ratepayers. Any remaining proceeds from the sale of RINs when measured against NFG's weighted average cost of gas would then be shared between the Company and its customers. The proposed sharing allocation would be 75% going to credit customers and 25% going to the Company.

This RNG Pilot is similar to a pilot this Commission approved for UGI Utilities, Inc. – Gas Division (UGI).² UGI's program also unbundles the RINs and sells them, with the proceeds being used to offset cost premiums. I do note an important distinction whereby UGI's RNG Pilot included the details of the source of the gas supply, whereas here the source would be determined after program approval via the issuance of request-for-proposals.

I commend NFG for its efforts to bring RNG into its gas supply with its pilot proposal. I believe the small percentage in this proposal, 0.05% of supply, coupled with the unbundling and liquidation of the RINs to insulate ratepayers makes the program worthy of approval.

¹ The United States Environmental Protection Agency assigns Renewable Identification Numbers to, inter alia, natural gas sources meeting the criteria in the Agency's Renewable Fuel Standards.

² Docket No. R-2021-3025652, Order entered October 7, 2021.

I believe that the Exceptions filed by both NFG and the OCA on this issue should be granted. The proposed RNG Pilot is in the public interest and should be approved because it will inform the Company about how best to ensure continued least-cost procurement to customers in a changing market. 66 Pa. C.S. §§ 1317, 1318.

July 25, 2022

Date

A handwritten signature in cursive script that reads "Gladys Brown Dutrieuille". The signature is written in black ink and is positioned above a horizontal line.

Gladys Brown Dutrieuille, Chairman