

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17120**

**PENNSYLVANIA PUBLIC
UTILITY COMMISSION, ET AL.**

**PUBLIC MEETING OF SEPT. 12, 2024
3044549-OSA
DOCKET NO. R-2023-3044549, et al.**

v.

**PEOPLES NATURAL GAS
COMPANY, LLC.**

STATEMENT OF CHAIRMAN STEPHEN M. DeFRANK

Before the Commission today is a nonunanimous settlement of a request by the Peoples Natural Gas Company, LLC to increase rates to support a revenue requirement of approximately \$154,000,000 in additional revenues. The settlement, which lowered the increase to \$93,000,000, was agreed to, or not opposed, by all active parties, except for the Office of Consumer Advocate, which opposed the settlement in its entirety and filed Exceptions that we address today.

I commend the parties for reaching a comprehensive settlement in this matter, even though the settlement is nonunanimous. I find the settlement to be consistent with applicable laws and in the public interest. Therefore, I support adoption of the settlement, consistent with the recommendation of the Administrative Law Judge.

While the Commission strongly encourages settlements, the Commission does not “rubber stamp” them. This settlement, like all others, has been thoroughly vetted before being considered by this Commission. I respect the OCA’s opposition to the settlement, but I see the settlement as a compromise that is in the public interest.

For example, although the overall increase will be 11.1% over present revenues, in general, efficiencies will be gained through the merger of the two rate divisions resulting in lower monthly bills for some customers. Although the settlement considered today does increase some rates, it also includes a separate Low-Income Stipulation entered into between Peoples, CAUSE-PA and the weatherization task force regarding various low-income issues. This includes, among other things, Peoples auto-enrolling LIHEAP recipients with significant balances into its customer assistance programs, permitting auto-recertification of CAP enrollment and waiving the income documentation requirements for CAP applicants who have received LIHEAP funding in the last two

years. In addition, shareholder contributions to Peoples' Hardship Fund will also be increased by \$150,000 per year until the next universal service and energy conservation plan is filed. These are all consumer benefits.

Furthermore, while some issues raised in this proceeding are not being resolved by the settlement, such as some customer service issues, I do appreciate the provision that requires Peoples to monitor and capture data on leaks of first-generation plastic in their risk reduction data collection. This provision is timely given the Tentative Order we adopted at our August 1st public meeting regarding replacement of older plastic pipe in natural gas distribution systems¹ and is also a consumer benefit.

While no party gets everything they want in a settlement, and there remain valid issues to be addressed, the settlement being considered today is consistent with applicable laws and is in the public interest.

As such, I vote to approve the settlement without modification as recommended by the Administrative Law Judge.

September 12, 2024
Date



Stephen M. DeFrank
Chairman

¹ See, Replacement of Older Plastic Pipe in Natural Gas Distribution Systems, Docket No. M-2024-3050313 (Tentative Order entered August 26, 2024).