
Megan E. Rulli

mrulli@postschell.com
717-612-6012 Direct
717-731-1985 Direct Fax
File #: 210103

June 13, 2025

VIA ELECTRONIC FILING

Matthew Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Pennsylvania Public Utility Commission, et al. v. Columbia Gas of Pennsylvania, Inc.
Docket Nos. R-2025-3053663, et al.**

Dear Secretary Homsher:

Attached for filing is the Joint Petition for Settlement and Statements in Support thereof on behalf of Columbia Gas of Pennsylvania, Inc. (“Columbia”) and the Office of Consumer Advocate (“OCA”), as well as the letter of non-opposition to the Settlement of the Public Utility Commission’s Bureau of Investigation and Enforcement. Copies will be provided per the Certificate of Service.

Respectfully submitted,



Megan E. Rulli

MER/dmc
Attachment

cc: The Honorable Emily I. DeVoe (*via email; w/attachment*)
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).


VIA E-MAIL

Steven C. Gray, Esquire
Office of Small Business Advocate
555 Walnut Street
Forum Place, 1st Floor
Harrisburg, PA 17101
sgray@pa.gov

Harrison W. Breitman
Katherine M. Kennedy
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
hbreitman@paoca.org
kkennedy@paoca.org

Scott B. Granger
Bureau of Investigation & Enforcement
Commonwealth Keystone Building
400 North Street, 2nd Floor West
P.O. Box 3265
Harrisburg, PA 17105-3265
sgranger@pa.gov

Date: June 13, 2025



Megan E. Rulli

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	Docket No. R-2025-3053663
Office of Consumer Advocate	:	Docket No. C-2025-3053812
Office of Small Business Advocate	:	Docket No. C-2025-3054329
v.	:	
	:	
Columbia Gas of Pennsylvania, Inc.	:	

**JOINT PETITION FOR SETTLEMENT OF RATE
INVESTIGATION PURSUANT TO 66 Pa.C.S. §1307(f)**

TO ADMINISTRATIVE LAW JUDGE EMILY I. DEVOE:

I. INTRODUCTION

Columbia Gas of Pennsylvania, Inc. (“Columbia” or the “Company”) and the Office of Consumer Advocate (“OCA”), parties to the above-captioned proceedings (hereinafter collectively referred to as the “Petitioners”), hereby file this Joint Petition for Settlement of Rate Investigation Pursuant to 66 Pa.C.S. § 1307(f) (“Settlement”) and respectfully request that Administrative Law Judge Emily I. DeVoe (the “ALJ”) and the Public Utility Commission (“Commission”) expeditiously approve the Settlement as set forth below.¹ In support of this Settlement, the Petitioners state the following:

II. BACKGROUND

1. Columbia is a “public utility” and “natural gas distribution company” (“NGDC”) as those terms are defined in Sections 102 and 2202 of the Public Utility Code, 66 Pa.C.S. §§ 102, 2202. Columbia provides natural gas distribution, sales, transportation, and/or supplier of last resort (“SOLR”) services to customers in portions of 26 counties of Pennsylvania.

¹ The Commission’s Bureau of Investigation and Enforcement (“I&E”) and the Office of Small Business Advocate (“OSBA”) are not parties to the Settlement but have indicated that they do not object to the Settlement. A of non-opposition from the I&E is attached to this Settlement as Appendix “C.” OSBA is separately filing its letter of non-opposition to the Settlement.

2. On February 28, 2025, as required by 52 Pa. Code §§ 53.64 and 53.65, Columbia filed with the Commission “Information Submitted in Compliance with Act 74 of 1984 and Pursuant to Title 52, Pennsylvania Code, Sections 53.64 and 53.65 Supporting Recovery of Purchased Gas Costs” containing certain pre-filing data required under the Commission’s regulations concerning annual changes to rates for recovery of purchased gas costs.

3. On April 1, 2025, Columbia filed Supplement No. 398 to Tariff Gas Pa. P.U.C. No. 9 (“Supplement No. 398”), along with its definitive filing, which included the written direct testimony of four witnesses and contained updated versions of certain pre-filing exhibits, i.e., Revised Columbia Ex. Nos. 1-A, 1-B, 1-D-1, 5, and 15. Supplement No. 398 is to become effective for service rendered on and after October 1, 2025. In Supplement No. 398, Columbia proposed an increase in its rates for recovery of purchased gas costs (“PGC”) of \$0.20855/Therm. Supplement No. 398 was docketed by the Commission at Docket No. R-2025-3053663 and was assigned to the ALJ for the issuance of a recommended decision.

4. I&E filed a Notice of Appearance in this proceeding. The OCA and OSBA filed Formal Complaints. The OCA’s Complaint was docketed at C-2025-3053812, and the OSBA’s Complaint was docketed at C-2025-3054329.

5. A prehearing conference was held on April 2, 2025. At the prehearing conference, the ALJ established a litigation schedule. The ALJ also set forth discovery rules, which included shorter response times than those provided in the Commission’s regulations. *See* 52 Pa. Code §§ 5.341 *et seq.*

6. On April 8, 2025, the ALJ issued a Prehearing Order that confirmed the litigation schedule established at the Prehearing Conference.

7. None of the other parties submitted testimony in this proceeding.

8. A full settlement in principle was achieved prior to the date for evidentiary hearings. On May 12, 2025, counsel for the Company advised the ALJ of the settlement in principle and requested that the scheduled evidentiary hearing be canceled and that the parties be permitted to admit their evidence by stipulation.

9. On May 16, 2025, the parties filed a Joint Stipulation for Admission of Evidence (“Joint Stipulation”), requesting that the evidence be entered into the record by stipulation, waiving cross-examination of all witnesses, and requesting that the evidentiary hearing be canceled.

10. On May 19, 2025, the Commission issued a Hearing Cancellation Notice, which canceled the evidentiary hearing scheduled for May 27, 2025.

11. On May 20, 2025, the ALJ issued an Interim Order Adopting and Entering into the Record the Joint Stipulation for the Admission of Evidence (“Interim Order”), which adopted the Joint Stipulation and admitted into the record the statements and exhibits listed. The Interim Order also required the parties to file all admitted evidence with the Commission’s Secretary’s Bureau by 4:00 PM on June 3, 2025, and to file and serve the Joint Petition for Settlement, along with statements in support, by June 13, 2025.

12. On June 3, 2025, Columbia filed its admitted evidence with the Commission’s Secretary’s Bureau.

III. PROPOSED FINDINGS OF FACT

The Petitioners agree that the following facts were entered into the record by Columbia, and that subject to the terms and conditions in this Settlement, are sufficient to approve the Settlement and Columbia’s 2025 PGC filing as confirmed by the Settlement. Columbia requests that the Commission make the following findings of fact and such other findings of fact, if any, as may be required or appropriate:

1. Columbia's Exhibit No. 3 lists Federal Energy Regulatory Commission ("FERC") proceedings through calendar year 2024 affecting Columbia's ratepayers. Exhibit No. 3 outlines Columbia's participation in these FERC proceedings. Columbia has intervened and actively participated in proceedings of the interstate pipelines serving Columbia. Columbia has been active before the FERC in rulemakings and policy statements that have the potential to significantly impact Columbia's efforts to provide reliable gas service at the least cost. (Columbia St. No. 1, pp. 35-39; Columbia Ex. No. 3)

2. Columbia was active in relevant FERC cases involving Columbia Gas Transmission, L.L.C. ("TCO"), Equitrans, L.P. ("Equitrans"), National Fuel Gas Supply Corporation ("National Fuel"), Tennessee Gas Pipeline Company, L.L.C. ("Tennessee"), Texas Eastern Transmission, L.P. ("Texas Eastern") and Eastern Gas Transmission ("EGTS"). (Columbia St. No. 1, pp. 35-39, Columbia Ex. No. 3)

3. Columbia will continue its policy of active participation in individual pipeline supplier rate and certificate proceedings before the FERC, along with FERC generic type rulemaking and policy proceedings which could have a material impact on Columbia's costs or operations, as fully described in Columbia Statement No. 1, pp. 35-39.

4. Columbia has full responsibility for purchasing all of its gas supplies directly from producers and marketers. To the extent that affiliated interests offer Columbia gas supplies under competitive terms and conditions, Columbia will consider those supplies like all others in accordance with its policy of purchasing gas supplies from reliable sources at the lowest cost. (Columbia Ex. No. 8-C)

5. Columbia's gas purchasing objectives and strategies seek a portfolio of least-cost supply from both Pennsylvania and interstate producers. Columbia also seeks capacity that is

flexible and reliable. These efforts will continue. (Columbia St. No. 1, pp. 4-22; Revised Columbia Ex. No. 5, p. 1)

6. Columbia contracts for sufficient firm gas supplies to serve, at a minimum, the demand of its firm service customers under design weather conditions, both design day and seasonal. Firm gas supplies include storage supplies, purchases under firm gas supply contracts and firm monthly and daily gas supply purchases, delivered through firm transportation capacity and local gas supplies on a seasonal basis. (Columbia St. No. 4, pp. 4-8)

7. Columbia purchases firm supplies to provide flexibility in recognition of annual fluctuations in seasonal and daily demand and to minimize gas costs for its customers. (Columbia St. No. 4, p. 5)

8. Columbia is responsible for balancing all deliveries to its city gates on a daily basis. All transportation and storage capacity services are provided to Columbia from non-affiliated pipeline companies. (Columbia St. No. 1, p. 11, Columbia Ex. No. 8-C)

9. Columbia contracts for firm transportation and storage services to meet customers' requirements in its diverse market areas. (Revised Columbia Ex. No. 5; Columbia St. No. 1, pp. 10-15) Columbia's firm contracts for gas supply provide it with sufficient supply to meet the human needs demand of firm customers under design weather conditions. (Columbia St. No. 1, pp. 23-24, 32-35)

10. Columbia's capacity portfolio contains a substantial amount of storage. Storage capacity enables Columbia to purchase a majority of its annual customer requirements during the summer months. Some of the summer purchase volume is used to serve current customer demand, while storing most of the volume to serve customer demand the following winter. (Revised Columbia Ex. No. 5, p. 10)

11. Columbia's reconciliation of its firm peak day capacity entitlement level with its future years' firm design day demand includes a maximum hourly design adjustment ("Max Hour Adjustment") to the design day demand. (Revised Columbia Ex. No. 5, p. 9; Columbia Ex. TMM-2) The Max Hour Adjustment was made to account for the potential of hourly flow restrictions on Eastern Gas Transmission and Storage ("EGTS"). (Columbia St. No. 1, pp. 18-19)

12. Following the preparation of the Company's pre-filing in this proceeding, Columbia was advised that the 3-year contract with a large industrial customer ending October 31, 2025, for 5,215 Dth of non-recallable capacity release with TCO will not be renewed by the customer. This non-renewal increases the capacity available to serve remaining firm capacity customers. (Columbia St. No. 1, pp. 4, 19)

13. As a result of the foregoing contract termination, Columbia's existing available capacity equals 103.8% of projected firm demand for contract year 2028-29, the highest projected design day firm requirements in Columbia's 2024 Design Day Forecast. (Revised Columbia Ex. No. 15, p. 2) This variance is just outside the bounds contained in Columbia's Portfolio Design Policy, which provides that Columbia will have sufficient capacity to be within a range of up to 103% of the highest of its projected design day firm requirements for the five year period of its Design Day Forecast. (Revised Columbia Ex. No. 5, pp. 10-11; Columbia St. No. 1, pp. 18-19; Columbia Ex. No. TMM-2)

14. Columbia is currently evaluating its options for this capacity, including another marketed release. (Columbia St. No. 1, p. 20)

15. There is a level of uncertainty surrounding the future need for this capacity due to TCO's rate case pending at FERC, which includes a proposal to implement 1/24th hourly rights on TCO's system. (Columbia St. No. 1, pp. 20-21)

16. If TCO were to hold Columbia to 1/24th of hourly rights, Columbia would likely need to contract additional capacity over its design day requirements in order to meet the maximum hourly demand on TCO, which in turn would require Columbia to provide an hourly adjustment to its design day requirement to be included in the calculation, similar to the adjustment made for areas served by EGTS. (Columbia St. No. 1, pp. 20-21) Columbia preliminarily estimates that if this 1/24th of hourly rights proposal is adopted, Columbia would experience a capacity deficit of 19,000 Dth, or -2.8%. (Columbia St. No. 1, p. 22)

17. Due to the uncertainty surrounding TCO's 1/24th hourly tariff proposal and its significant impact to Columbia's capacity portfolio, Columbia proposed to evaluate its capacity portfolio and design day requirements and provide an update in next year's 1307(f) filing. (Columbia St. No. 1, p. 22)

18. TCO is an unaffiliated interstate pipeline. Numerous TCO facilities are used to transport and store Columbia's supply purchases. Because Columbia's local market areas are spread across Pennsylvania and are connected primarily, and in many cases exclusively, to TCO facilities, the vast majority of Columbia's peak day supply is delivered by TCO. (Columbia St. No. 1, pp. 10-12; Revised Columbia Ex. No. 5, pp. 10-11)

19. Columbia contracts with TCO for 60,551 Dth of Firm Transportation capacity, under a contract expiring March 31, 2026, to retain enough capacity to meet firm demands. (Exhibit No. 1-D-3 Attachment 1, p. 1)

20. TCO provides approximately 71% of Columbia's winter season demand and about 79% of Columbia's Design Day capacity. (Revised Columbia Ex. No. 5, p. 10)

21. The majority of Columbia's TCO capacity also has grandfathered Maximum Daily Delivery Obligation ("MDDO") and Daily Delivery Quantity ("DDQ") rights. These

grandfathered MDDO and DDQ rights provide Columbia the necessary flexibility to receive varying volumes at each of its approximately 300 individual receipt points from TCO each day. This flexibility is critical to the efficient operation of Columbia's transportation services and the efficient, least cost management of Columbia's capacity portfolio. (Revised Columbia Ex. No. 5, p. 11)

22. Columbia contracts for three primary firm services from TCO: Firm Transportation Service ("FTS"), Firm Storage Service ("FSS"), and Storage Service Transportation ("SST"). The FTS capacity provides for the firm transportation of flowing gas supplies delivered by TCO, either from Appalachian receipt points or interconnects with upstream pipelines, to Columbia's city gates or storage. The FSS capacity provides daily injection and withdrawal capacity into or out of storage, along with firm daily deliverability and seasonal storage capacity. SST capacity primarily is used to provide firm transportation of storage volumes from TCO's storage fields to Columbia's city gates. SST capacity also transports flowing gas supplies, in excess of Columbia's FTS capacity level, to fill storage during the summer. The use of FSS in conjunction with SST provides Columbia with its primary daily no-notice balancing service. (Columbia St. No. 1, pp. 10-11)

23. In addition to its contracts for transportation and storage from TCO, Columbia has access to various other pipelines. These arrangements currently include the following:

- (a) Columbia has six firm transportation contracts and three storage contracts with EGTS. The first transportation contract, provided under EGTS's rate schedule Firm Transportation No-Notice - General Storage Service ("FTNN-GSS"), for 6,000 Dth per day, is utilized to transport storage supplies from EGTS's storage fields to Columbia's city gates. Storage supplies are also transported to Columbia's city gates via a

transportation contract under EGTS's rate schedule Firm Transportation ("FT"). This contract has a quantity of 3,000 Dth per day from November through March of each year, and 2,000 Dth per day from April through October of each year. The associated storage contract with EGTS provides Columbia with 9,000 Dth/day of peak day deliverability and approximately 941,176 Dth of seasonal supply. Columbia utilizes these EGTS contracts to provide supplies to its customers in Beaver County through its Darlington interconnect and in Cranberry Township through its Warrendale interconnect. (Columbia St. No. 1, p. 12)

(b) Columbia has two additional storage contracts and three FTNN and FT transportation contracts with EGTS that are utilized to meet the demand and balancing requirements in the State College market. The storage contracts provide for daily withdrawal of 15,000 Dth/day and 4,800 Dth/day with seasonal quantities of 930,000 Dth and 240,000 Dth, respectively. Columbia utilizes 19,800 Dth/day of Rate Schedule FTNN transportation capacity to deliver the EGTS storage supplies to the State College market. Additionally, Columbia has 5,000 Dth/day of FT capacity which it also uses to serve the State College market. (Columbia St. No. 1, pp. 12-13)

(c) Lastly, Columbia has 255 Dth/day of FT capacity with EGTS that provides service to an interconnection serving the Centre Hall market. (Columbia St. No. 1, p. 13)

(d) Columbia also contracts for firm transportation and storage service with Equitrans. The storage service provides peak day deliverability of

19,130 Dth and 2,000,000 Dth of seasonal capacity. The maximum winter season city gate deliveries total 55,000 Dth per day including up to 19,130 Dth from storage. Summer capacity levels are sculpted with 32,000 Dth per day in April and October and 20,000 Dth per day May through September. (Columbia St. No. 1, p. 13; Revised Exhibit No. 5, p. 11)

(e) Columbia excludes from the PGC the cost of the Equitrans storage service, approximately 9,384 Dth/day of the associated 19,130 Dth/day of the winter season FTS Transportation Quantity (“TQ”), and the EGTS storage service and associated 4,800 Dth/day FTNN transportation contract, to provide service to General Distribution Service (“GDS”) customers under Columbia’s Elective Balancing Service (“EBS”) Option 1. (Columbia St. No. 1, p. 13; Revised Columbia Ex. No. 5, p. 11)

(f) Columbia contracts for firm transportation service with Tennessee totaling 23,600 Dth/day. A total of approximately 19,300 Dth/day is required to serve the design peak day firm customer demand in Columbia markets directly connected to Tennessee, while approximately 4,300 Dth/day is delivered to Columbia’s National Fuel capacity. On days when the 19,300 Dth/day delivered directly to Columbia cannot be absorbed by those markets, Columbia can divert that supply to Tennessee interconnects with Columbia Transmission for injection into storage or delivery to other Columbia markets that are served by Columbia Transmission. (Columbia St No. 1, pp. 13-14)

- (g) Columbia contracts for firm transportation service under two rate schedules with Texas Eastern, FT-1 and Comprehensive Delivery Service (“CDS”), totaling 25,635 Dth/day. A total of 22,553 Dth/day is required to serve the design peak day firm customer demand in Columbia markets directly connected to Texas Eastern while 3,082 Dth/day must be delivered to Columbia Transmission, as an upstream supply, to meet design day demand in Columbia markets served by Columbia Transmission. (Columbia St. No. 1, p. 14)
- (h) Columbia contracts for 4,304 Dth/day of city gate capacity under the FTS rate schedule of National Fuel. This capacity provides service to Columbia’s Warren market area. (Columbia St. No. 1, p. 14)
- (i) In addition, Columbia also has a contract with National Fuel consisting of enhanced firm transportation (EFT) of 4,000 Dth per day, of which 1,571 Dth per day is received at the Mercer Interconnection and delivered to the Columbia Findlay Township delivery point interconnection in Allegheny County, while 2,429 Dth per day is received from National Fuel’s storage receipt point and delivered to the Findlay Township delivery point. Additionally, National Fuel provides an enhanced storage service (“ESS”) with a Maximum Storage Quantity (“MSQ”) of 267,143 Dth, a Maximum Daily Injection Quantity (“MDIQ”) of 1,571 Dth per day, and a Maximum Daily Withdrawal Quantity (“MDWIQ”) of 2,429 Dth per day to be used in combination with the EFT service. (Columbia St. No. 1, pp. 14-15)

24. In the last year, the Company acquired one new contract and renewed two contracts: (1) 9,300 Dth of firm transportation on Tennessee with a one winter only term of November 1, 2024, through March 31, 2025; and (2) Columbia renewed its TCO FSS contract in the amount of 21,948,692 Dth and a TCO SST contract in the amount of 395,714 Dth, which were set to expire on March 31, 2025. Columbia entered into the Tennessee contract to serve the Warrendale area. (Columbia St. No. 1, pp. 15-16, Revised Columbia Ex. No. 5, p. 12)

25. In April 2023, Columbia entered into a precedent agreement for capacity as a result of an open season on Texas Eastern's Appalachia to Market III offering. The negotiated agreement has a term of 15 years and is for 3,000 Dth/day from November 1, 2027, through October 31, 2028, and 5,000 Dth/day beginning November 1, 2028, for the remainder of the agreement. This precedent agreement will serve the York market. (Revised Columbia Ex. No. 5, p. 12)

26. Columbia continues to evaluate alternatives to its existing supply and capacity portfolio on an ongoing basis. (Columbia St. No. 1, p. 16; Revised Ex. No. 5, p. 13)

27. In order for Columbia to meet its objective of securing and delivering competitively-priced, reliable gas supplies, Columbia has developed a portfolio of gas purchase contracts, which can include long-term, short-term and spot contracts, that have flexibility both to meet reliability standards and to be able to take advantage of low priced opportunities where available and operationally feasible. (Columbia St. No. 1)

28. Columbia maintains a program for purchasing local production. In addition to local gas purchases delivered directly into Columbia's system, Columbia purchased Appalachian pool gas delivered by producers into TCO's system and redelivered to Columbia under transportation agreements. Although it is certain that Pennsylvania production enters the Appalachian production pools, once the gas is part of pool supplies it is commingled with other sources of supply. Thus,

the portion of these supplies coming from Pennsylvania production is not known. (Columbia St. No. 1, p. 10; Columbia St. No. 4, p. 7; Revised Columbia Ex. No. 5, p. 9)

29. For capacity that is not required for balancing or SOLR services, Columbia submits Requests for Proposals (“RFP”) to all suppliers licensed to conduct business on Columbia’s system. The RFPs define the delivery points required by Columbia to receive gas supplies, as well as a general outline of the daily delivery volumes by point of delivery. (Columbia St. No. 1, pp. 16-17) Columbia did not receive any offers from suppliers in response to the RFP. (Columbia St. No. 1, p. 17)

30. Columbia’s gas purchases were a least cost supply mix during the historic reconciliation period, consistent with reliable service. (Columbia Ex. No. 8-C; Columbia St. No. 4, p. 4)

31. In the twelve months ended January 31, 2025, Columbia did not shut in or withhold from the market any gas supply or transportation or storage capacity other than for the purposes of retaining sufficient supply to assure reliable supply and balancing services under colder than normal conditions. (Columbia Ex. No. 8-E)

32. Columbia’s gas purchasing strategy is to contract for a portfolio of gas supplies and capacity that has the flexibility both to meet reliability standards and be able to take advantage of low-price opportunities when available and operationally feasible. (Columbia St. No. 4, p. 4)

33. Neither Columbia nor its affiliates withheld any gas from the market or caused any gas supplies to be withheld from the market that should have been utilized as part of a least-cost fuel procurement policy. (Columbia Ex. No. 8-E)

34. Columbia retains firm contractual rights to all storage, other upstream pipeline and capacity, if any, and all capacity assignments made to Natural Gas Suppliers (“NGSs”)

participating in Columbia's Customer Choice program are made on a recallable basis. This allows Columbia to maintain service in the event an NGS fails to deliver supplies under Columbia's Customer Choice Program, which is consistent with Columbia's obligations as the SOLR. (Columbia St. No. 1, p. 34-35)

35. Pursuant to TCO's tariff, Columbia must plan the use of storage so that no more than 65% of its FSS seasonal storage quantity remains in inventory after February 1 and no more than 25% remains after April 1. TCO may also issue operational flow orders mandating storage withdrawals with penalties for noncompliance. Noncompliance with TCO's tariff limitations could result in confiscation by the pipeline of volumes exceeding tariff limits. (Revised Columbia Ex. No. 5, p. 16)

36. For supply planning purposes, Columbia determines customer demand under various weather scenarios. Columbia determines customer demand under a colder-than-normal weather scenario to plan its gas supply and capacity portfolio to ensure that it is adequate to meet increased customer demand. Columbia also determines customer demand under a warmer-than-normal weather scenario to plan the flexibility needed in its supply and capacity portfolio to meet reduced customer demand at least cost. (Revised Columbia Ex. No. 5; Columbia St. No. 1, pp. 5-10)

37. On all days, including days of peak demand, Columbia must be ready to serve the demand of Sales Service customers and to provide balancing for CHOICE Service customers. To ensure reliability, Columbia has established design parameters for estimating Sales Service and CHOICE Service customer demand under extreme weather conditions. Columbia's Design Day Forecast is based on design day conditions consisting of current day design temperature, prior day design temperature, current day design wind speed, and occurrence on a weekday. Columbia

updates the design conditions approximately every five to ten years. (Revised Columbia Ex. No. 5, pp. 4-5)

38. In order for Columbia to inject sufficient gas supplies into its storage accounts, particularly its FSS account with TCO, to meet winter season customer demand, it purchases gas supplies in volumes exceeding its FTS capacity during the summer. These additional gas purchases are made under spot market contracts and delivered to its storage accounts using TCO's SST capacity at secondary receipt and delivery points. (Columbia St. No. 4, p. 6)

39. Columbia manages its off-system sales and capacity release programs under its Unified Sharing Mechanism ("USM"). Pursuant to the USM, customers receive 75% of the net USM proceeds and Columbia retains the remaining 25% of net proceeds. The customers' share of USM proceeds is passed back 100% through the Purchased Gas Demand Cost ("PGDC"). (Columbia St. No. 4, pp. 8-9)

40. Consistent with the 2023 1307(f) Settlement, Columbia executed financial hedges according to the agreed upon program.² (Columbia St. No. 4, p. 11)

41. The Company's financial hedges are carried out under a product known as a "fixed to float," whereby the price is fixed upon execution and settles out monthly at the NYMEX Henry Hub futures expiration price. Upon the expiration of the contract, the difference between the expiration price and fixed price is exchanged between Columbia and the supplier. The funds received flow through to the PGC customers. (Columbia St. No. 4, p. 12)

IV. SETTLEMENT

42. The Petitioners agree to resolve the following issues as set forth below:

² See *Pa. PUC, et al. v. Columbia Gas of Pennsylvania, Inc.*, Docket Nos. R-2023-303860, et al. (Order approving settlement entered Aug. 24, 2023).

A. GENERAL

43. Columbia's 2025 PGC filing meets the standards set forth in Sections 1317 and 1318 of the Public Utility Code, 66 Pa.C.S., §§ 1317 and 1318, and the Commission should approve Columbia's 2025 PGC filing as filed, and make the findings described in Section V of this Settlement.

B. CAPACITY PORTFOLIO

44. Due to the uncertainty surrounding TCO's 1/24th hourly tariff proposal in its pending Section 4 rate case at FERC and its potential impact to Columbia's capacity portfolio, Columbia will further evaluate its capacity portfolio and design day requirements and provide an update in its 2026 1307 (f) filing.

V. STANDARDS AND FINDINGS

45. This proceeding is a consolidation of two reviews that the Commission is required to undertake pursuant to Sections 1307 and 1318 of the Public Utility Code. Pursuant to Section 1307(f) of the Public Utility Code, 66 Pa.C.S. § 1307(f), the Commission must determine whether Columbia has met the standards of Section 1318, 66 Pa.C.S. § 1318, with regard to the gas costs Columbia has incurred during a historic 12-month period. The historic period reviewed in this proceeding is the 12-month reconciliation period ended January 31, 2025. In addition, because Columbia has filed a tariff proposing a new rate reflecting a change in its natural gas costs, the Commission must determine whether the specific findings of Section 1318 can be made with regard to the period that rates will be in effect in the Application Period. This finding is a condition precedent to the Commission's approval of the Company's proposed rates. 66 Pa.C.S. § 1318. It is to be noted that the provisions of Section 1318(a) are applicable to all gas utilities that recover their gas costs pursuant to Section 1307(f). The new tariff rate is intended to become effective October 1, 2025.

46. Columbia did not make any purchases from affiliates during the historic period. (Columbia Ex. 8-A, p. 1) To the extent that affiliated interests offer Columbia gas supplies under competitive terms and conditions, Columbia will consider those supplies like all others in accordance with its policy of purchasing gas supplies from reliable sources at the lowest cost. Therefore, it is requested that the Commission make the findings under Section 1318(b) concerning gas supplies from affiliates.

A. HISTORIC RECONCILIATION PERIOD STANDARDS

47. With respect to Columbia's gas purchases and gas purchasing practices during the twelve-month historic reconciliation period ended January 31, 2025, it is requested that the Commission find that Columbia has met the standards set out in Section 1318 of the Public Utility Code, 66 Pa.C.S. § 1318, and required by Section 1307(f)(5) of the Public Utility Code, 66 Pa.C.S. § 1307(f)(5), as to all actual purchased gas costs in the historic period. It is requested that the Commission find, pursuant to Section 1307(f)(5) of the Public Utility Code, and based upon the evidence presented by the Petitioners in this case, that, during the twelve months ended January 31, 2025: (1) Columbia met the requirements of Section 1318(a) of the Public Utility Code by pursuing a least-cost fuel procurement policy, consistent with its obligation to provide safe, adequate and reliable service to its customers; and (2) Columbia met the requirements of Section 1318(b) of the Public Utility Code relating to its consideration of offers from affiliates for gas, transportation and storage services.

B. PROJECTED AND INTERIM PERIOD FINDINGS

48. With respect to the twelve-month period beginning October 1, 2025, which is the period of time during which the proposed rates contained in this Settlement would be in effect, it is requested that the Commission make the findings under Section 1318 of the Public Utility Code, including Sections 1318(a)(1) through (a)(4), and 1318(b)(1) through (b)(3), based upon

information presently available and based upon evidence of record in this proceeding concerning Columbia's purchasing policies.

49. The Petitioners agree that, based upon evidence of record in this proceeding concerning Columbia's projected gas purchases and gas purchasing policies, it appears that Columbia's projected gas purchases and projected gas purchasing policies will comply with the standards of Section 1318 of the Public Utility Code. Nevertheless, it is expressly understood and agreed that the findings relating to the rate to become effective October 1, 2025, are made solely for the purpose of setting prospective rates that shall be subject to the standards of Section 1318, and further reviewed in an appropriate future proceeding. This Section of the Settlement is not intended to limit or prevent in any way present or future complainants from reviewing, after such projected gas purchases have been made and gas purchasing practices have been implemented, whether Columbia's gas purchases and gas purchasing practices have, in fact, complied with the standards of Section 1318. If, in an appropriate future proceeding, gas purchases and gas purchasing practices relating to the period October 1, 2025, through September 30, 2026, are challenged, the Commission's findings in this Section of the Settlement shall pose no bar to the examination of such purchases and practices including, but not limited to, disallowance of, or reductions to, such costs during the one-year period commencing October 1, 2025.

50. The Petitioners agree that future examination of the gas costs relating to the period February 1, 2025, through September 30, 2026, to determine whether Columbia's experienced and projected gas purchases and gas purchasing practices complied with the standards set forth in Section 1318 of the Public Utility Code shall be permitted and that the Commission's adoption of the findings under this Section of the Settlement shall not be construed to limit or prevent any disallowance or reduction of such costs.

VI. CONDITIONS OF SETTLEMENT

51. The Settlement is conditioned upon the Commission's approval of the terms and conditions contained in this Settlement without modification. If the Commission modifies the Settlement, any Petitioner may elect to withdraw from the Settlement and may proceed with litigation and, in such event, the Settlement shall be void and of no effect. Such election to withdraw must be made in writing, filed with the Secretary of the Commission and served upon all Petitioners within five (5) business days after the entry of an Order modifying the Settlement.

52. This Settlement is proposed by the Petitioners to settle all issues in the instant proceeding. If the Commission does not approve the Settlement and the proceedings continue, the Petitioners reserve their respective procedural rights to hearing and briefing, and to argue their respective positions. The Settlement is made without any admission against, or prejudice to, any position that any party may adopt in the event of any subsequent litigation of these proceedings, or in any other proceeding.

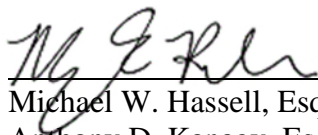
53. This Settlement may not be cited as precedent in any future proceeding, except to the extent required to implement this Settlement.

54. Attached as Appendices "A" and "B" are Statements of Support submitted by the Petitioners, setting forth the bases upon which they believe the Settlement is in the public interest. Attached as Appendix "C" is the letter of non-opposition to the Settlement submitted by I&E. OSBA is separately filing a letter of non-opposition to the Settlement.

VII. CONCLUSION

WHEREFORE, the Petitioners, by their respective counsel, respectfully request that The Honorable Administrative Law Judge Emily I. DeVoe and the Commission approve this Settlement, including all terms and conditions thereof, without modification and that the Commission enter an Order consistent with this Settlement and mark the complaints at Docket Nos. C-2025-3053812 and C-2025-3054329 closed.

Respectfully submitted,



Michael W. Hassell, Esquire
Anthony D. Kanagy, Esquire
Megan E. Rulli, Esquire
Post & Schell, P.C.
17 North Second Street
Harrisburg, PA 17101-1601

Date: 06/13/2025

and

Candis A. Tunilo, Esquire
800 North 3rd Street
Suite 204
Harrisburg, PA 17102
For: Columbia Gas of Pennsylvania, Inc.

/s/ Katie Kennedy

Harrison W. Breitman, Esquire
Katherine M. Kennedy, Esquire
Deputy Consumer Advocate
Office of Consumer Advocate
555 Walnut Street
Forum Place 5th Floor
Harrisburg, PA 17101-1923
For: Office of Consumer Advocate

Date: 6/13/2025

APPENDIX A

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	Docket No. R-2025-3053663
Office of Consumer Advocate	:	Docket No. C-2025-3053812
Office of Small Business Advocate	:	Docket No. C-2025-3054329
v.	:	
	:	
Columbia Gas of Pennsylvania, Inc.	:	

COLUMBIA GAS OF PENNSYLVANIA, INC.
STATEMENT IN SUPPORT OF JOINT PETITION FOR SETTLEMENT

Columbia Gas of Pennsylvania, Inc. (“Columbia” or the “Company”) submits this Statement in Support of the Joint Petition for Settlement in the above-captioned proceedings (“Settlement”). Signatories to the Settlement are the Office of Consumer Advocate (“OCA”) and Columbia, parties to the above-captioned proceeding (hereinafter collectively referred to as the “Joint Petitioners”).¹ The Settlement resolves all issues in this proceeding.

Commission policy promotes settlements. *See* 52 Pa. Code § 5.231. Settlements lessen the time and expense that the parties must expend litigating a case and, at the same time, conserve precious administrative resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully-litigated proceeding. *See* 52 Pa. Code § 69.401. In order to accept a settlement, the Commission must first determine that the proposed terms and conditions are in the public interest. *See Pa. Pub. Util. Comm’n v. York Water Co.*, Docket No. R-00049165 (Order entered Oct. 4, 2004); *Pa. Pub. Util. Comm’n v. C.S. Water and Sewer Assocs.*, 74 Pa. P.U.C. 767 (1991).

As an initial matter, the fact that the Settlement is unopposed is, in and of itself, strong evidence that the Settlement is reasonable and in the public interest. The Settlement was achieved

¹The Public Utility Commission’s (“Commission”) Bureau of Investigation and Enforcement (“I&E”) and the Office of Small Business Advocate (“OSBA”) have indicated that they do not oppose the Settlement.

after a comprehensive investigation of Columbia’s gas purchasing practices, including discovery and discussion among the parties. No parties submitted testimony in opposition to Columbia’s filing, providing further support to the appropriateness of resolving this proceeding through settlement. Columbia submits that the Settlement fairly balances the interests of the Company and its customers and, therefore, is in the public interest. Columbia respectfully requests that Administrative Law Judge Emily I. DeVoe (the “ALJ”) and the Commission approve the Settlement in its entirety and without modification.

For the reasons set forth below, the Settlement is just and reasonable and should be approved.

I. THE SETTLEMENT IS IN THE PUBLIC INTEREST

A. APPROVAL OF COLUMBIA’S 2025 PGC FILING

The Settlement provides for the approval of Columbia’s 2025 PGC filing as filed. Settlement ¶ 47. In accordance with the proposed findings of facts and statutory findings contained in the Settlement, the Company’s 2025 PGC filing is in the public interest and should be approved.

Approval of Columbia’s 2025 PGC filing is in the public interest because the record evidence demonstrates that Columbia has met the standards set forth in Sections 1307 and 1318 of the Public Utility Code, 66 Pa. C.S., §§ 1307 and 1318. Pursuant to Section 1307(f) of the Public Utility Code, 66 Pa.C.S. § 1307(f), the Commission must determine whether Columbia has met the standards of Section 1318, 66 Pa.C.S. § 1318, with regard to the gas costs Columbia has incurred during a historic 12-month period. The historic period reviewed in this proceeding is the 12-month reconciliation period ended January 31, 2025. In addition, because Columbia has filed a tariff proposing a new rate reflecting a change in its natural gas costs, the Commission must determine whether the specific findings of Section 1318 can be made with regard to the period that rates will be in effect in the projected period. This finding is a condition precedent to the

Commission's approval of the Company's proposed rates. 66 Pa.C.S. § 1318. Section 1318 provides:

(a) General rule.--In establishing just and reasonable rates for those natural gas distribution companies, as defined in section 2202 (relating to definitions), with gross intrastate operating revenues in excess of \$40,000,000 under section 1307(f) (relating to sliding scale of rates; adjustments) or 1308(d) (relating to voluntary changes in rates) or any other rate proceeding, the commission shall consider the materials provided by the utilities pursuant to section 1317 (relating to regulation of natural gas costs). No rates for a natural gas distribution utility shall be deemed just and reasonable unless the commission finds that the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. In making such a determination, the commission shall be required to make specific findings which shall include, but need not be limited to, findings that:

(1) The utility has fully and vigorously represented the interests of its ratepayers in proceedings before the Federal Energy Regulatory Commission.

(2) The utility has taken all prudent steps necessary to negotiate favorable gas supply contracts and to relieve the utility from terms in existing contracts with its gas suppliers which are or may be adverse to the interests of the utility's ratepayers.

(3) The utility has taken all prudent steps necessary to obtain lower cost gas supplies on both short-term and long-term bases both within and outside the Commonwealth, including the use of gas transportation arrangements with pipelines and other distribution companies.

(4) The utility has not withheld from the market or caused to be withheld from the market any gas supplies which should have been utilized as part of a least cost fuel procurement policy.

(b) Limitation on gas purchased from affiliates.--In any instance in which a natural gas distribution company purchases all or part of its gas supplies from an affiliated interest, as that term is defined in section 2101 (relating to definition of affiliated interest), the commission, in addition to the determinations and findings set forth in subsection (a), shall be required to make specific findings with regard to the justness and reasonableness of all such purchases. Such findings shall include, but not be limited to findings:

(1) That the utility has fully and vigorously attempted to obtain less costly gas supplies on both short-term and long-term bases from nonaffiliated interests.

(2) That each contract for the purchase of gas from its affiliated interest is consistent with a least cost fuel procurement policy.

(3) That neither the utility nor its affiliated interest has withheld from the market any gas supplies which should have been utilized as part of a least cost fuel procurement policy.

(c) Shut-in gas; special rule.--In determining whether a gas utility has purchased the least costly natural gas available, the commission shall consider as available to the utility any gas supplies that reasonably could have been brought to market during the relevant period but which were voluntarily withheld from the market by the utility or an affiliated interest of the utility.

66 Pa.C.S. § 1318.

Upon review of Columbia's filing and after engaging in discovery, the Joint Petitioners agree that Columbia's 2025 PGC case, as filed, complies with the requirements of Section 1318 of the Public Utility Code, 66 Pa C.S. § 1318(a), and that the record evidence supports a finding that Columbia is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. *See* Columbia Ex. No. 8-E. Therefore, the Joint Petitioners request that the Commission make the findings as set forth in Section 1318 that are required to approve Columbia's PGC filing.

Specifically, with respect to Section 1318(a)(1), the record demonstrates that Columbia has intervened and actively participated in the Federal Energy Regulatory Commission ("FERC") proceedings of the interstate pipelines serving Columbia, including Columbia Gas Transmission, L.L.C. ("TCO"), Equitrans, L.P. ("Equitrans"), National Fuel Gas Supply Corporation ("National Fuel"), Tennessee Gas Pipeline Company, L.L.C. ("Tennessee"), Texas Eastern Transmission, L.P. ("Texas Eastern") and Eastern Gas Transmission and Storage ("EGTS"). Columbia St. No. 1, pp. 35-39; Columbia Ex. No. 3. Columbia has been active before the FERC in proceedings that have the potential to significantly impact Columbia's efforts to provide reliable gas service at the least cost. Columbia will continue its policy of active participation in individual pipeline supplier

rate and certificate proceedings before the FERC, along with FERC generic-type rulemaking and policy proceedings which could have a material impact on Columbia's costs or operations, as fully described in Columbia Statement No. 1, pp. 35-39.

Concerning Sections 1318(a)(2) and (3), the record demonstrates that Columbia has taken all prudent steps necessary to negotiate favorable gas supply contracts and to relieve the utility from terms in existing contracts with its gas suppliers which are or may be adverse to the interests of the utility's ratepayers. The record further demonstrates that Columbia has taken all prudent steps necessary to obtain lower cost gas supplies on both short-term and long-term bases both within and outside the Commonwealth, including the use of gas transportation arrangements with pipelines and other distribution companies. In order for Columbia to meet its objective of securing and delivering competitively-priced, reliable gas supplies, Columbia has developed a portfolio of gas purchase contracts, which can include long-term, short-term and spot contracts, that have flexibility both to meet reliability standards and to be able to take advantage of low priced opportunities where available and operationally feasible. *See* Columbia St. No. 1, pp. 10-28. Columbia continues to evaluate alternatives to its existing supply and capacity portfolio on an ongoing basis and makes changes to those contracts when it is prudent to do so. Columbia St. No. 1, p. 16; Revised Ex. No. 5, p. 13. For capacity that is not required for balancing or SOLR services, Columbia submits Requests for Proposals ("RFP") to all suppliers licensed to conduct business on Columbia's system. The RFPs define the delivery points required by Columbia to receive gas supplies, as well as a general outline of the daily delivery volumes by point of delivery. Columbia St. No. 1, pp. 16-17. Columbia did not, however, receive any offers from suppliers in response to the RFP. Columbia St. No. 1, p. 17. Columbia also maintains a program for purchasing local production. In addition to local gas purchases delivered directly into Columbia's system,

Columbia purchased Appalachian pool gas delivered by producers into TCO's system and redelivered to Columbia under transportation agreements. Columbia St. No. 1, p. 10; Columbia St. No. 4, p. 7; Columbia Ex. No. 5, p. 9.

In accordance with Section 1318(a)(4), neither Columbia nor its affiliates withheld any gas from the market or caused any gas supplies to be withheld from the market that should have been utilized as part of a least-cost fuel procurement policy. Columbia Ex. No. 8-E.

Although Columbia did not make any purchases from affiliates during the historic period, the Settlement requests that the Commission make the findings under Section 1318(b) concerning gas supplies from affiliates. To the extent that affiliated interests offer Columbia gas supplies under competitive terms and conditions, Columbia will consider those supplies like all others in accordance with its policy of purchasing gas supplies from reliable sources at the lowest cost. Columbia Ex. No. 8-C.

Finally, consistent with Section 1318(c), in the twelve months ended January 31, 2025, Columbia did not shut in or withhold from the market any gas supply or transportation or storage capacity other than for the purposes of retaining sufficient supply to assure reliable supply and balancing services under colder than normal conditions. Columbia Ex. No. 8-E.

Approval of Columbia's PGC filing is in the public interest because Columbia has complied with all relevant provisions of the Public Utility Code with respect to its PGC, as demonstrated by the undisputed facts set forth above, in the Settlement, and as more fully explained in Columbia's PGC filing.

B. CAPACITY PORTFOLIO

In assessing the reasonableness of its contracted pipeline capacity, Columbia has a policy that its design day capacity be within 103% of its peak day requirements, five years into the future. Columbia St. No. 1, p. 19. Based on Columbia's 2024 Design Day Forecast, spanning the winter

seasons of 2024-25 through 2028-29, Columbia's existing peak day capacity is slightly outside the Portfolio Design Policy. Revised Columbia Ex. No. 15, p. 2; Columbia St. No. 1, p. 19. Following the preparation of the Company's pre-filing in this proceeding, it was determined that the 3-year contract with a large industrial customer ending October 31, 2025, for 5,215 Dth of non-recallable capacity release with TCO will not be renewed by the customer. This removal increased the capacity available to serve firm service customers and resulted in a projected firm demand of 103.8% for contract year 2028-29. Columbia St. No. 1, pp. 4, 19.

Columbia is currently evaluating its options for this capacity, including another marketed release. Columbia St. No. 1, p. 20. However, there is a level of uncertainty surrounding the future need for this capacity due to TCO's rate case pending at FERC, which includes a proposal to implement 1/24th hourly rights on the TCO system. Columbia St. No. 1, pp. 20-21. If TCO were to hold Columbia to 1/24th of hourly rights, it would require supplying customers to meet their maximum hourly demand multiplied by 24. On days where Columbia is under the hourly restriction, it would need to secure supply to meet its hourly maximum demand times 24, which would likely exceed the total daily demand. In addition, as temperatures grow colder, there are greater chances of the maximum hourly demand exceeding the daily Maximum Daily Quantity Columbia has contracted. Columbia St. No. 1, p. 21. Columbia would likely need to contract additional capacity over its design day requirements in order to meet the maximum hourly demand on TCO, which in turn would require Columbia to provide an hourly adjustment to its design day requirement to be included in the calculation, similar to the adjustment currently made for areas served by EGTS. Columbia St. No. 1, pp. 20-21. Columbia estimates that if the 1/24th hourly rights proposal is approved by FERC, Columbia would face a capacity deficit in relation to peak day requirements of approximately 19,800 Dth. Columbia St. No. 1, p. 22. Due to the uncertainty

surrounding TCO's 1/24th hourly tariff proposal and its significant impact to Columbia's capacity portfolio, Columbia proposed to evaluate its capacity portfolio and design day requirements and provide an update in next year's 1307(f) filing. Columbia St. No. 1, p. 22.

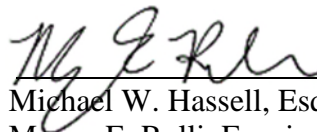
No party opposed the Company's proposal, and in the Settlement the Joint Petitioners agree to accept the Company's proposal to evaluate its capacity portfolio and design day requirements and provide an update in next year's 1307(f) filing. Settlement ¶ 48.

Approval of this settlement provision is in the public interest because it allows time for the resolution of TCO's rate case filing and the implementation of TCO's tariff proposal, if approved. Further, this evaluation would provide Columbia an opportunity to perform an updated design day forecast and analyze whether changes to Columbia's capacity portfolio are needed. Columbia St. No. 1, p. 22. For these reasons and as explained in the testimony of Columbia witness Monnig, the settlement term allowing the Company to evaluate its capacity portfolio and design day requirements is in the public interest and should be approved.

II. CONCLUSION

The Settlement resolves all issues raised during this proceeding. For the reasons explained above, and those set forth in the proposed findings in the Settlement, the resolution of the issues contained within the Settlement is in the public interest. The Settlement should be approved without modification.

Respectfully submitted,



Michael W. Hassell, Esquire
Megan E. Rulli, Esquire
Post & Schell, P.C.
17 North Second Street
12th Floor
Harrisburg, PA 17101
Phone: 717-731-1970
Fax: 717-731-1985
E-mail: mhassell@postschell.com
mrulli@postschell.com

Candis A. Tunilo, Esquire
800 North 3rd Street
Suite 204
Harrisburg, PA 17102
Phone: 717-233-1351
E-mail: ctunilo@nisource.com

Date: June 13, 2025

APPENDIX B

On March 13, 2025, the Office of Small Business Advocate (OSBA) entered its appearance. On March 24, 2025, the OCA filed a Notice of Appearance, Protest and Public Statement. On March 26, 2025, the Commission served a notice establishing an initial telephonic prehearing conference for this matter for Wednesday, April 2, 2025 at 1:00 p.m. and assigned ALJ DeVoe as the presiding officer.

The OCA retained Jerome D. Mierzwa¹ to provide technical assistance and to review the Company's gas purchasing practices and operations. Mr. Mierzwa reviewed the Company's preliminary and definitive filing in this matter. In addition, the OCA served four sets of discovery on the Company and reviewed all Company responses. Upon completion of its review, the OCA did not identify any issues relevant to this proceeding that warranted the filing of testimony.

Subsequently, in accordance with the Commission's Rules and Regulations at 52 Pa. Code Section 5.321, the parties undertook discussions in an attempt to reach settlement. On May 12, 2025, the Joint Petitioners informed the ALJ that they had reached a settlement in principle of all issues in the proceeding. The terms and conditions of the settlement agreement reached by the Joint Petitioners are now embodied in the "Settlement Petition" that accompanies this instant Appendix/Statement in Support. The OCA submits that the Company has met the requirements of 66 Pa. C.S. Sections 1307(f) and 1318, and that the Settlement is in the public interest for the reasons set forth below.

¹ Mr. Mierzwa is a Principal with and Vice President of Exeter Associates, Inc. ("Exeter"). Since joining Exeter in 1990, he has specialized in evaluating the gas purchasing practices and policies of natural gas distribution companies ("NGDCs"), utility class cost of service and rate design analysis, sales and rate forecasting, performance-based incentive regulation, revenue requirement analysis, the unbundling of utility services and the evaluation of customer choice natural gas transportation programs.

II. TERMS AND CONDITIONS OF SETTLEMENT

The Commission encourages parties in contested, on-the-record proceedings to settle cases. *See* 52 Pa. Code § 5.231. A Settlement, by definition, reflects a compromise of the parties' positions. When active parties in a proceeding reach a settlement, the principal issue for Commission consideration is whether the settlement suits the public interest. *Pa. Public Utility Commission v. CS Water and Sewer Associates*, 74 Pa. PUC 767, 711 (1991). When the settling parties submitted their joint settlement petition for approval, the principal issue for the Commission is whether the agreement serves the public interest. *Pa. Public Utility Commission v. Philadelphia Electric Company*, 60 Pa. PUC 1, 21 (1985).

As the OCA did not identify issues with the filing that would require the OCA to submit testimony in this proceeding, the settling parties (Columbia and OCA) agree to accept the underlying data and calculations submitted by Columbia in its February 28, 2025 Pre-filing and its April 1, 2025 Annual Filing subject to the terms and conditions contained in the Settlement. The OCA submits that the GCR rates contained therein accurately represent the implementation of the terms of the Settlement. Supplement No. 398 to Columbia's Tariff Gas of Pa. PUC No. 9 ("Supplement No. 398") as filed on April 1, 2025 shall be permitted to go into effect on October 1, 2025.

IV. CONCLUSION

The Office of Consumer Advocate submits that the terms of the Settlement are in the public interest and in the interest of Columbia's ratepayers. Based on the above reasons, the Office of Consumer Advocate submits that the proposed Settlement should be approved.

Respectfully Submitted,

/s/ Katie Kennedy

Katherine "Katie" Kennedy
Assistant Consumer Advocate
PA Attorney I.D. # 317237

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: 717-783-5048
Fax: 717-783-7152

Harrison W. Breitman
Assistant Consumer Advocate
PA Attorney I.D. # 320580
OCACOLUMBIA1307f@paoca.org

Dated: June 13, 2025

Counsel for:
Darryl A. Lawrence
Acting Consumer Advocate

APPENDIX C



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

June 13, 2025

Secretary Matthew L. Homsher
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission v.
Columbia Gas of Pennsylvania, Inc. - 1307(f)
Docket No. R-2025-3053663
I&E Letter of Non-Opposition of Settlement

Dear Secretary Homsher:

Please accept this letter as confirmation that the Bureau of Investigation and Enforcement (I&E) does not oppose the settlement reached in the above-referenced proceeding as set forth in the Joint Petition for Settlement. I&E reviewed the Columbia Gas 1307(f) filing and elected to not file any written testimony or raise any objections.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads 'Scott B. Granger'.

Scott B. Granger
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 63641
(717) 425-7593
sgranger@pa.gov