

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17120**

**Pennsylvania Public Utility
Commission, *et al.***

**Public Meeting held December 4, 2025
3053499-OSA
Docket No. R-2025-3053499, *et al.***

v.

Columbia Gas of Pennsylvania, Inc.

STATEMENT OF COMMISSIONER KATHRYN L. ZERFUSS

In evaluating this rate case, the Commission has a duty to ensure that the rates Columbia Gas of Pennsylvania, Inc. (Columbia or Company) proposes to charge its customers will be just and reasonable and will ensure that Columbia is able to provide adequate, efficient, safe, and reasonable service to its customers. While the law permits a public utility to recover costs that it invests in improving its infrastructure and running its operations to provide service,¹ the rate increase of \$110,444,676 million that Columbia seeks in this case is untenable.

In reaching my conclusion in this case, I believe a balance has been struck by approving a rate increase of \$55,627,800, representing a reduction of more than 50% from Columbia's original request and ensuring that there are significant customer protections in place to help Pennsylvania families afford to heat their homes. Some of this reduced rate increase stemmed from the decision to start with a base ROE of 10.22%. Given Columbia's significantly diminished business risk – stemming from Columbia's near elimination of regulatory lag – a further downward adjustment of 22 basis points, setting the final ROE at 10%, rather than the 11.35% proposed by Columbia, was established. These measures reduced the overall rate increase by more than \$28 million.

¹ *Pennsylvania Gas and Water Co. v. Pa. PUC*, 341 A.2d 239, 251 (Pa. Cmwlth. 1975); *Bluefield Water Works and Improvement Co. v. Public Service Comm'n of West Virginia*, 262 U.S. 679, 692-93 (1923); *Federal Power Commission v. Hope Natural Gas Co.*, 320 U.S. 591, 603 (1944).

This is Columbia's 13th rate case since 2008. Columbia has been granted a total of \$487.8 million since 2008, and with this rate increase, rates will increase again in January 2026. Columbia has the highest gas prices of the Pennsylvania natural gas utilities, outpacing all 25 natural gas distribution companies serving the mid-Atlantic region – except for those supplying New York City.

Columbia has stated that its requested increase is necessary to provide safe and reliable service by supporting ongoing investments in the distribution system by replacing pipes and related components that have reached the end of their service life.² While I commend Columbia for these significant safety and reliability improvements, it is important to note that these projects are precisely why the Distribution System Improvement Charge (DSIC) mechanism was established. Currently, Columbia does not utilize a DSIC. Although the DSIC would not fully cover the costs of the replacement program detailed in Columbia's LTIP, strategically leveraging all available resources could help extend the intervals between rate increase filings and the impact of yearly rate increases on customers. I encourage Columbia to consider future implementation of the DSIC mechanism.

As any rate increase impacts Pennsylvania families and their abilities to afford basic necessities for their households, I support the numerous customer protections the parties proposed and the Commission is adopting in this case, particularly those geared toward our most vulnerable customers. Given that the record in this case shows that only 23% of Columbia's estimated low-income customers and 30% of its confirmed low-income customers are enrolled in CAP,³ I find Columbia's proposals that aim to increase the identification of customers eligible for the Customer Assistance Program (CAP) as well as CAP enrollment levels to be essential. Among these are Columbia's Speech Analytics Pilot Program and CAP Arrearage Pilot Program as well as the OCA and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania's (CAUSE-PA) proposals for additional, enhanced CAP screening. The

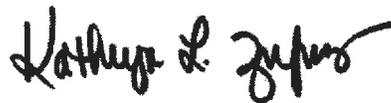
² Since 2007, over 1,491 miles of cast iron pipe, more than 295 miles of pre-1971 coated steel pipe, and over 155 miles of pre-1982 plastic pipe have been replaced. The budget allocates \$312.7 million for pipeline replacement in 2025 and \$343.7 million in 2026.

³ CAUSE-PA St. 1 at 11, 24.

Commission's referral of Columbia's payment plans and policies for evaluation within Columbia's Universal Service Advisory Committee (USAC) will also help to ensure the Company's payment plans are successful and the most advantageous avenue for assisting low-income customers.

While I support the final outcome of this case, I am concerned about the frequency of Columbia's rate increase requests. Some of the Parties addressed the frequency of Columbia's rate increase requests; however, none of the Parties proposed a rate case stay-out provision to prevent Columbia from coming in next year or for a period longer than one year. Given the frequency of Columbia's rate case filings, I implore the Company to be extremely strategic and judicious in deciding when they make their next rate filing with the Commission.

I want to express my appreciation to the staff for their outstanding work on this case, which required extensive litigation. The filing underwent numerous revisions to ensure that consumer protections are robust and comprehensive. Given the thorough litigation process, I am comfortable approving the outcome.



DATE: December 4, 2025

Kathryn L. Zarfuss, Commissioner