

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

John J. Logue

v.

Peoples Natural Gas Company, LLC

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C-2025-3053181

INITIAL DECISION

Before
Katrina L. Dunderdale
Administrative Law Judge

INTRODUCTION

This decision finds Complainant failed to meet the burden to prove Respondent’s Weather Normalization Adjustment (WNA) was unjust or unreasonable, and to prove the adjustment was not applied correctly to his account by Respondent.

HISTORY OF THE PROCEEDING

On January 30, 2025, John J. Logue (Complainant or Mr. Logue) filed with the Pennsylvania Public Utility Commission (Commission) a Formal Complaint (Complaint) against Peoples Natural Gas Company, LLC (Respondent or Peoples) alleging Peoples provided poor customer service when it applied the Weather Normalization Adjustment (WNA) to his billing statements for natural gas service provided to his residence, and when it used an incorrect formula to determine the adjustment. Complainant requested the Commission order Peoples to indicate each

month on the billing statement, in plain and simple language, how the adjustment is calculated. In addition, Complainant alleged Peoples provided poor customer service when it applied the adjustment retroactively before the Commission authorized the use of the adjustment. In the Complaint, Complainant selected First Class Mail through the United States Postal Service (USPS) as his preference for the service of documents.

On February 20, 2025, Respondent filed an Answer generally denying the allegations in the Complaint. Respondent averred the Commission approved the WNA at the most recent base rate case (at Docket No. R-2023-3044549) and denied the WNA was applied retroactively to Complainant's account.

On February 25, 2025, the Office of Administrative Law Judge (OALJ) issued an Initial Call-In Telephonic Hearing Notice, which scheduled the initial hearing to be conducted on April 16, 2025. On the same date, February 25, 2025, the presiding officer issued a Prehearing Order which outlined various procedural matters.

On March 11, 2025, Respondent filed a Motion for Continuance. Respondent indicated counsel for Respondent was unavailable due to a prior-arranged business trip and would not be able to call in for the telephonic hearing. The request was not opposed by Complainant and available dates were provided. On March 11, 2025, the presiding officer issued the Interim Order which granted the Motion for Continuance.

Accordingly, on March 12, 2025, the OALJ issued a Cancelled/Rescheduled Initial Telephonic Hearing Notice, which rescheduled the initial hearing to be conducted on April 23, 2025.

On April 23, 2025, the presiding officer convened the initial hearing at which Complainant appeared and testified on his own behalf. Complainant offered seven (7) exhibits which were admitted as Complainant Exhibits C-1 through C-7. Respondent

was represented by Meagan Moore, Esquire. Attorney Moore presented testimony from two witnesses and offered five (5) exhibits which were admitted as Peoples Exhibits A, B, C, E and F. Complainant and Respondent issued final statements on the hearing record in lieu of filing briefs.

On May 15, 2025, a transcript produced by the court reporter from the initial hearing on April 23, 2025, was filed with the Commission's Secretary's Bureau. The transcript consisted of 84 pages.

On May 19, 2025, the court reporter filed a corrected transcript, from the initial hearing on April 23, 2025, with the Commission's Secretary's Bureau, in addition to filing the exhibits which had been admitted into the hearing record during the initial hearing. The transcript consisted of 84 pages.

On May 20, 2025, the presiding officer issued the Interim Order Closing the Hearing Record.

On May 27, 2025, Respondent filed a Petition to Reopen the Record (Petition), pursuant to 52 Pa. Code § 5.571. Respondent requested the presiding officer reopen the hearing record for the limited purpose of correcting certain typographical errors in the transcript. On June 2, 2025, Complainant served a Response to the Petition (Response),¹ in which Complainant objected to the Petition.

¹ The cover letter to the Response is dated May 30, 2025, and the Certification of Service attached to the Response is dated May 31, 2025. Complainant served a copy of the Response on the presiding officer and opposing counsel via email at 10:00 p.m. on June 2, 2025, in which email Complainant indicated he sent a copy of the Response in hard copy, certified mail, return receipt requested, to the Secretary of the Commission as well as to the presiding officer and opposing counsel. The date of June 2, 2025, will be accepted by the presiding officer as the date the Response was filed despite being sent and received after the close of business hours.

On June 5, 2025, the presiding officer issued the First Post Hearing Order which granted the request to reopen the hearing record. Respondent was given until June 18, 2025, in which to file a request to correct the transcript which was in compliance with the provisions at 52 Pa. Code § 5.253.

On June 17, 2025, Respondent contacted the presiding officer via email on behalf of both parties. Peoples informed the presiding officer that the parties were attempting to reach a consensus on the corrections that should be made to the transcript. The parties requested additional time – to July 3, 2025 – and the request was granted by the presiding officer via email.

On July 1, 2025, Respondent filed the Joint Proposed Corrections to the Hearing Transcript (Proposed Corrections) containing three pages of changes the parties agreed should be ordered. Those three pages included 47 instances in the transcript which the parties agreed were incorrect and needed to be corrected in the official transcript.

On August 8, 2025, the presiding officer issued the Second Post Hearing Order, granting the Proposed Corrections and closing the hearing record.

On August 20, 2025, the presiding officer issued the Third Post Hearing Order, which reopened the hearing record because the transcript provided to the parties differed from the official transcript, causing a discrepancy in the page numbers listed in the parties' Proposed Corrections. The Order required the parties to confer and provide updated page numbers.

On August 21, 2025, the parties filed the Corrected Proposed Corrections to Hearing Transcript (Corrected Proposed Corrections).

On September 25, 2025, the presiding officer issued the Fourth Post Hearing Order, which granted the corrections to the transcript as outlined in the Corrected Proposed Corrections and closed the hearing record.

The hearing record consists of 84 pages of corrected transcript plus 7 exhibits from Complainant and 5 exhibits from Respondent. This proceeding is ready for decision.

FINDINGS OF FACT

1. Complainant, John J. Logue, resides at 109 Ludwig Road, Neshannock, Pennsylvania (service address). (Tr. 14; Peoples Exhibits 2 and 3).
2. Respondent, Peoples Natural Gas Company, LLC, provides natural gas service to Complainant at the service address. (Peoples Exhibits 2 and 3).
3. The Commission approved the Weather Normalization Adjustment (WNA) on September 12, 2024, as part of Peoples' base rate case, at Docket No. R-2023-3044549, which became effective on September 27, 2024. (Tr. 20, 31, 35, 37; Complainant Exhibit C-3).
4. At Docket No. R-2023-3044549, the Commission approved and directed Respondent to use the following calculations when determining the WNA on a specific customer's account:

$$\text{WNBM}^2 = \text{BLMM}^3 + [(\text{NHDD}^4 \text{ +/- } (\text{NHDD} \times 3\%))/\text{AHDD}^5] \times (\text{AMUM}^6 - \text{BLMM}).$$

$$\text{WNAM}^7 = \text{WNBM}^8 - \text{AMUM}$$

$$\text{WNAM} = \text{WNAC}^9 \times \text{Distribution Charge}$$

(Peoples Exhibit A).

5. Respondent used the following process to calculate the WNA at the service address for consumption from August 31, 2024 to October 2, 2024:

$$\begin{aligned} &\text{Normal Heating Degree Days (NHDD)} + 103 \\ &\text{Actual Heating Degree Days (AHDD)} = 23 \\ &3\% \text{ of NHDD} = 3 \text{ Heating Degree Days (HDD)} (103 \times 3\%) \\ &\text{NHDD adjusted for 3\% deadband} = 103 - 3 = 100 \\ &\text{Actual Monthly Usage Mcfs (AMUM)} = 3.1 \text{ Mcf} \\ &\text{Base Load Monthly Mcf (BLMM)} = 1.78 \text{ Mcf} \\ &\text{Weather Normalized Billing (WNBM) amount} = \\ &\quad 1.78 \text{ Mcf} + [(103-3)/23 \times (3.1 - 1.78)] = 7.52 \text{ Mcf} \\ &\text{Weather Normalized Adjustment Mcfs (WNAM)} = \\ &\quad 7.52 \text{ Mcf} - 3.1 \text{ mcf} = 4.42 \text{ Mcf} \\ &\text{Weather Normalization Adjustment (WNA)} = \\ &\quad 4.42 \text{ Mcf} \times \$4.1945 \text{ distribution charge} = \$18.54 \end{aligned}$$

(Tr. 42-44; Peoples Exhibit E).

6. The WNA is a distribution charge adjustment, a basic service charge, and is to be applied to customers' bills, if receiving service under Rate Schedules

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- 2 Weather Normalized Billing Mcfs.
 - 3 Base Load Monthly Mcfs.
 - 4 Normal Heating Degree Days.
 - 5 Actual Heating Degree Days.
 - 6 Actual Monthly Usage Mcfs.
 - 7 Weather Normalized Adjustment Mcfs.
 - 8 Weather Normalized Billing Mcfs.
 - 9 Weather Normalization Adjustment Consumption.

RS, CAP, SGS and MGS, for bills rendered during the heating season from October 1st through May 31st. (Peoples Exhibits A and E).

7. The WNA charge should be displayed on a separate line in the monthly bill although Respondent has included other rate components. (Peoples Exhibit E).

8. The first bill Complainant received, after the WNA's effective date on September 27, 2024, was dated October 3, 2024, and included charges for service rendered from August 31, 2024, to October 2, 2024. (Tr. 20; Complainant Exhibits C-3 and C-6; Peoples Exhibit B).

9. The bill dated October 3, 2024, included a weather normalization adjustment debit in the amount of \$23.61. (Tr. 73; Peoples Exhibit B).

10. Respondent, in its bill dated October 3, 2024, used the bill rendered rate which was the rate that became effective on September 27, 2024, because that rate was effective on the date the bill was rendered. (Tr. 31-34; Peoples Exhibit B).

11. On October 21, 2024, Respondent issued a corrected monthly bill to correct a miscalculation in the original bill and included a WNA debit in the amount of \$18.24. (Tr. 68, 73; Peoples Exhibit C).

12. On February 3, 2025, Respondent issued a monthly bill, for service rendered from January 2, 2025, to February 3, 2025, which included a WNA credit in the amount of \$18.68. (Peoples Exhibit D).

13. Peoples applied the new WNA rate based on the bill rendered date, not service rendered dates. (Tr. 32).

14. Peoples does not apply the WNA as a debit if the weather during the billing period is within three percent (3%) of the average weather. (Tr. 38).

15. If the weather varies more than three percent (3%), then Peoples multiplies the difference by the distribution charge and would list the sum on the bill as the WNA. (Tr. 38).

16. The WNA would be reflected on the monthly bill as either a charge or a credit. (Tr. 38, 39; Peoples Exhibits B, C and D).

17. Respondent's representative spoke with Complainant on February 12, 2025, to offer an explanation about the calculation of the WNA. (Tr. 40, 41).

18. "The WNA is a distribution charge adjustment based off the weather, based on when the weather is warmer than normal temperatures, whether the weather is below normal." (Tr. 70).

19. Normal Heating Degree days is "the established unit based on weather conditions. And what that is based on is the temperature data in a 30-day average. It measures the average daily temperature less than 65 degrees and what you're able to recover based on what normal weather is. So the days were actually established in the case that not only Peoples was in, but, you know, other statutory parties." (Tr. 52, 53).

20. To calculate a Normal Heating Degree day, Respondent starts by subtracting the daily average in a billing period from 65 degrees within the billing period. (Tr. 55).

21. Respondent uses twenty-two (22) different billing cycles across its customer classes each month, which can result in twenty-two different WNA amounts. (Tr. 57).

22. Respondent received inquiries from other customers concerning the WNA that appeared for the first time in October 2024. (Tr. 77).

DISCUSSION

Complainant complains Respondent's WNA charge and its calculation on Respondent's bills defies understanding by the typical consumer. Complainant argues the WNA formula is too complicated and Respondent has not provided clear explanations. Lastly, Complainant contends Respondent applied the WNA charge for services provided before the WNA became effective on September 27, 2024. Complainant requests the Commission order Peoples to use plain and simple language.

Burden of Proof

As the party seeking affirmative relief from the Commission, Complainant bears the burden of proving by substantial evidence they are entitled to the requested relief. 66 Pa.C.S. § 332(a). To satisfy this burden, Complainant must show Respondent utility is responsible or accountable for the problem described.¹⁰ Complainant must show this fact to be true by a preponderance of the evidence, that is, by presenting evidence more convincing, by even the smallest amount, than that evidence presented by the other

¹⁰ *Patterson v. Bell Telephone Co. of Pa.*, 72 Pa. P.U.C. 196 (1990); *Feinstein v. Philadelphia Suburban Water Co.*, 50 Pa. P.U.C. 300 (1976).

party.¹¹ Additionally, any finding of fact necessary to support the Commission’s adjudication must be based upon substantial evidence.¹² Furthermore, more evidence is required than a mere trace of evidence or a suspicion of the existence of a fact sought to be established.¹³

Pursuant to the Pennsylvania Code, all relevant and material evidence may be admitted but will be excluded if repetitious or cumulative, or if its probative value is outweighed by a danger of unfair prejudice, confusion of the issues, or considerations of undue delay or waste of time.¹⁴

Weather Normalization Adjustment

The Code requires “every rate made, demanded or received by any public utility...shall be just and reasonable and in conformity with regulations and orders of the Commission.¹⁵” No utility shall demand or receive a rate that is greater or less than that specified in its tariff, and all such tariff provisions are deemed prima facie reasonable if approved by the Commission.¹⁶ Furthermore, a Commission-approved tariff provision

¹¹ *Lansberry, Inc. v. Pa. Pub. Util. Comm’n*, 578 A.2d 600 (Pa. Cmwlth. 1990), *alloc. den.*, 602 A.2d 863 (Pa. 1992); *Se-Ling Hosiery v. Margulies*, 70 A.2d 854 (Pa. 1950).

¹² *Mill v. Pa. Pub. Util. Comm’n*, 447 A.2d 1100 (Pa. Cmwlth. 1982); *Edan Transportation Corp. v. Pa. Pub. Util. Comm’n*, 623 A.2d 6 (Pa. Cmwlth. 1993); 2 Pa.C.S. § 704.

¹³ *Norfolk & Western Railway. v. Pa. Pub. Util. Comm’n*, 413 A.2d 1037 (Pa. 1980); *Erie Resistor Corp. v. Unemployment Compensation Bd. of Review*, 166 A.2d 96 (Pa. Super. 1960); *Murphy v. Dep’t. of Public Welfare, White Haven Center*, 480 A.2d 382 (Pa. Cmwlth. 1984).

¹⁴ See “Admissibility of Evidence,” 52 Pa.Code § 5.401.

¹⁵ 66 Pa.C.S. § 1301.

¹⁶ 66 Pa.C.S. § 1303; *Lynch v. Pa. Pub. Util. Comm’n*, 594 A.2d 816, 819 (Pa. Cmwlth. 1991).

carries the force of law and binds the public utility and its customers, requiring a public utility to charge its customers on the tariff approved by the Commission.¹⁷

Complainant challenges Respondent's imposition of the WNA adjustment which the Commission approved as part of Peoples' base rate case in *Pennsylvania Public Utility Commission v. Peoples Natural Gas Company LLC*, at Docket No. R-2023-3044549. Mr. Logue seeks to challenge an existing rate approved by the Commission. Accordingly, Mr. Logue bears the burden of proving, by a preponderance of the evidence, that the WNA rate is unjust, unreasonable and/or in violation of a Commission regulation or order.¹⁸

Party Positions

Complainant contends he did not contest Respondent's authority to apply the adjustment, but he argues the common customer is unable to understand how the adjustment is calculated, based on the information and service provided by Respondent. Complainant further argues Respondent failed to provide reasonable and adequate customer service because the bills fail to show specifically how the adjustment is calculated and Respondent failed to provide the information when he inquired. Complainant also contends the retroactive application of the WNA - over consumption that preceded the WNA's effective date by more than one month - was unfair and did not provide him with a knowing ability to adjust his usage of gas prior to September 27, 2024. (Tr. 81, 82).

¹⁷ *Stiteler v. Bell Telephone Co.*, 379 A.2d 339 (Pa. Cmwlth. 1977); *Brockway Glass Co. v. Pa. Pub. Util. Comm'n*, 437 A.2d 1067 (Pa. Cmwlth. 1981); *Pa. Electric Co. v. Pa. Pub. Util. Comm'n*, 663 A.2d 281 (Pa. Cmwlth. 1995).

¹⁸ 66 Pa.C.S. § 332(a); *Schellhammer v. Pa. Pub. Util. Comm'n*, 629 A.2d 189 (Pa. Cmwlth. 1993); *Duquesne Light Co. v. Pa. Pub. Util. Comm'n*, 715 A.2d 540 (Pa. Cmwlth. 1998).

Respondent argues the WNA is a mechanism designed to adjust the bills of its customers to better reflect normal weather and its impact on consumption. (Tr. 37). Peoples explained at the hearing how the WNA works to ensure Peoples gets paid the amount of revenue which it requires to provide service to its customers when temperatures are warmer than expected while ensuring Respondent does not get paid too much when temperatures are colder than expected and consumption rises. Respondent notes the WNA was approved by the Commission to be implemented effective October 1, 2024, as a separate line item on the bills. Respondent further notes the Commission approved how the WNA calculation is presented. Lastly, Respondent contends it has complied with the Commission's order on calculating, applying and presenting the WNA on its customers' bills, and the Complaint should be dismissed for failure to meet the burden of proof. (Tr. 81).

Disposition

The Complaint asserts two allegations: the calculation for the WNA is not clear; and the October 3, 2024 bill incorrectly applied the adjustment to service provided before the effective date of the WNA (September 27, 2024).

The WNA is meant to ensure the utility receives the revenue required so the utility can continue to operate as a gas distribution utility even when customer demand drops in those months when the temperatures are warmer than anticipated. However, the WNA works in reverse to ensure a utility does not get a "windfall" when customer demand rises because the temperature is colder than anticipated. (Tr. 52, 53, 66, 67). To make the determination of what is "normal," the utility finds the "Normal Heating Degree day" which is the degree of temperature that reasonably can be expected for a day based on historical weather data. (Tr. 55).

Respondent asserts a customer who wants to understand how the WNA is calculated can look at Respondent's tariff, at Respondent's website or by contacting Respondent's customer care center. (Tr. 39, 40, 58). Further, in this proceeding, Respondent's representative spoke with Complainant on February 12, 2025, to offer an explanation about the calculation of the WNA. (Tr. 40, 41).

However, Respondent provided conflicting evidence about how the WNA is calculated. The presiding officer understood the WNA adjustment prior to the hearing, but the information provided by Respondent during the hearing was confusing and poorly described. The presiding officer acknowledges that the WNA and its calculations are complicated, but Respondent is responsible to provide reasonable and adequate customer service which begins with being able to explain how charges are calculated. Oddly, Respondent provided explanations provided by other natural gas distribution companies about WNA adjustments. Those documents, while admitted into the hearing record, were not considered in the rendering of this decision because what remains at issue herein is whether Respondent provided a reasonable and adequate explanation to Complainant when he called Respondent.

The WNA is not an easy concept to understand or explain, especially to customers who are not familiar with revenue requirements and distribution costs. When temperatures are warmer, consumers assume the natural gas bill will be lower because the consumption is lower. However, distribution costs remain constant for a utility regardless of the level of consumption by ratepayers. These distribution costs are consistent.

Ultimately, the presiding officer finds Complainant failed to meet the burden of proving Respondent did not make the WNA calculation clear. Respondent provided Complainant with an explanation of what the WNA is and how the WNA is calculated that was adequate. The path to answering Complainant's question was

adequate, but it was done in “fits and spurts” that provided confusion before clarity. While not in violation of the Commission’s regulations and orders, Respondent must work harder to train its employees how to explain the WNA.

Complainant’s second allegation (the retroactive application of the WNA prior to September 27, 2024) is denied as well. The Commission approved the WNA and, as a part of that approval, the Commission approved Peoples issuing bills using the WNA as “bills rendered.” That term means that the Commission approved Peoples applying the rate in effect on the date the bill was rendered and not on the dates the service was rendered. Because Respondent’s actions are consistent with the Commission-approved tariff, and because Complainant did not meet the burden of proving that the tariff is unjust, unreasonable or in violation of a Commission regulation or order, as applied to him, the second allegation in the Complaint must be denied.

CONCLUSIONS OF LAW

1. This Commission has jurisdiction over the parties to and subject matter of this case. 66 Pa.C.S. § 701.

2. Complainant has the burden of proving Respondent billed him incorrectly in October 2024, when applying the Weather Normalization Adjustment for natural gas service provided prior to the effective date of the Weather Normalization Adjustment. 66 Pa.C.S. § 332(a).

3. Complainant failed to prove Respondent did not bill him correctly in October 2024. 66 Pa.C.S. § 332(a).

4. Complainant has the burden of proving Respondent's bills did not explain sufficiently and Respondent's employees failed to explain sufficiently how the Weather Normalization Adjustment was calculated.

5. Complainant failed to prove Respondent did not explain sufficiently and Respondent's employees failed to explain sufficiently how the Weather Normalization Adjustment was calculated. 66 Pa.C.S. § 332(a).

ORDER

THEREFORE,

IT IS ORDERED:

1. That the Formal Complaint filed by John J. Logue against Peoples Natural Gas Company, LLC at Docket No. C-2025-3053181 is dismissed.

2. That the Secretary mark this docket closed.

Date: December 17, 2025

/s/
Katrina L. Dunderdale
Administrative Law Judge